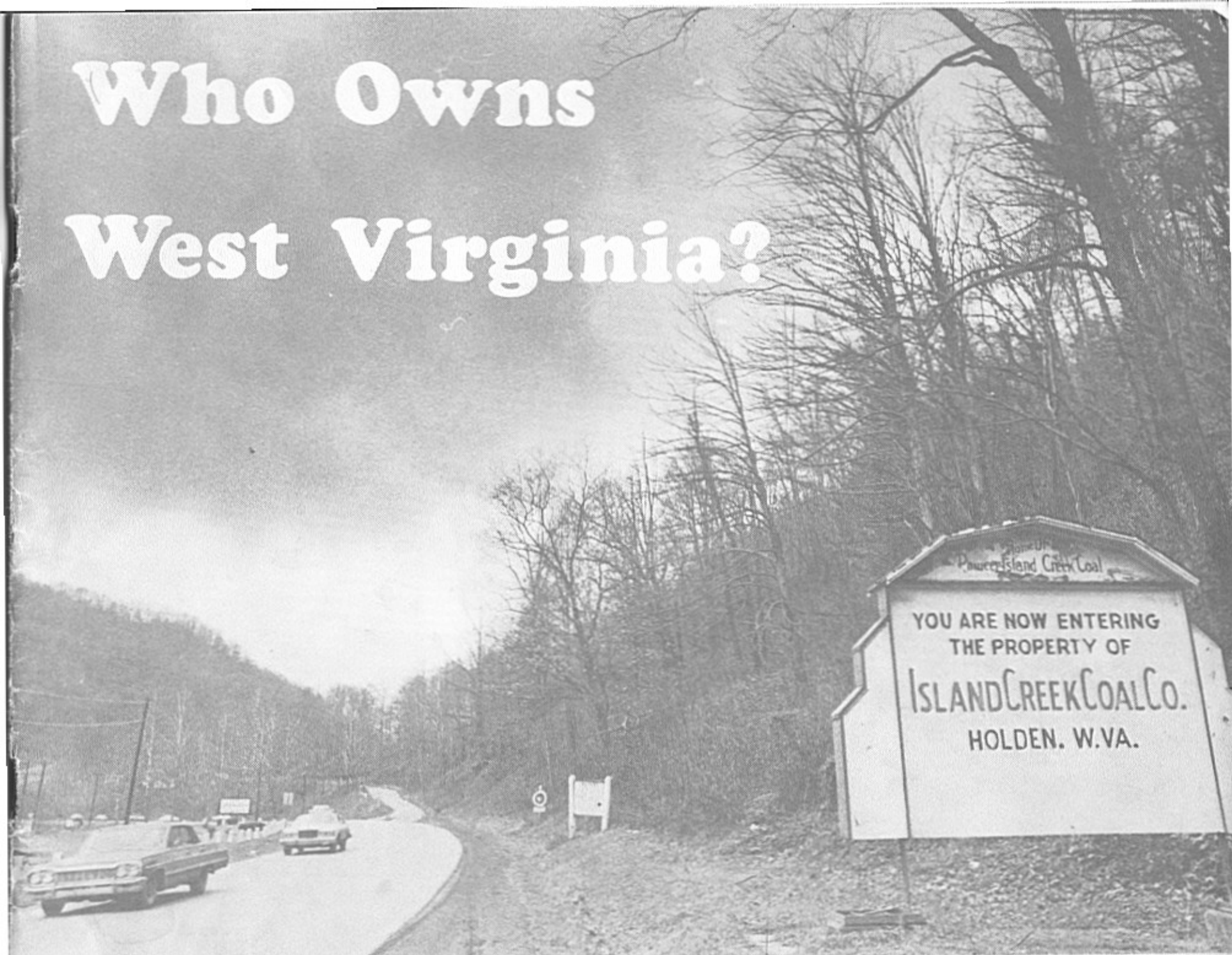


# Who Owns West Virginia?



Reprinted from The Herald-Advertiser and The Herald-Dispatch  
Huntington, West Virginia — December, 1974



TOM D. MILLER



Baisden



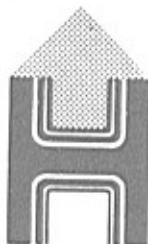
Kaplan



Bernard



Altizer



THE HUNTINGTON ADVERTISER

**The Herald-Dispatch**

MORNING • EVENING • SUNDAY

N. S. HAYDEN  
PRESIDENT AND PUBLISHER

Who owns West Virginia?

Certainly not West Virginians.

That's been part of the folklore of the Mountain State for decades. What are the facts?

More than two-thirds of the non-public land in the state is controlled by outside interests. These are giant fuel, transportation and lumber companies.

Who are they? What do they own? What is the value of their holdings? What taxes do they pay?

Tom D. Miller, an 18-year veteran of The Herald-Dispatch, and its legislative reporter for the past seven years, had long asked himself these same questions. "Who controls the millions of acres of land, rich not only in its rugged beauty, but also in timber, coal and gas?"

To permit him to find out, Miller's editors allowed him six months for basic research. During that time Miller traveled more than 7,000 miles and inspected thousands of public documents in Charleston and in more than a dozen county seats. He collected and inspected corporate annual reports, interviewed tax officials, and thumbed through hundreds of pages, dusty with age.

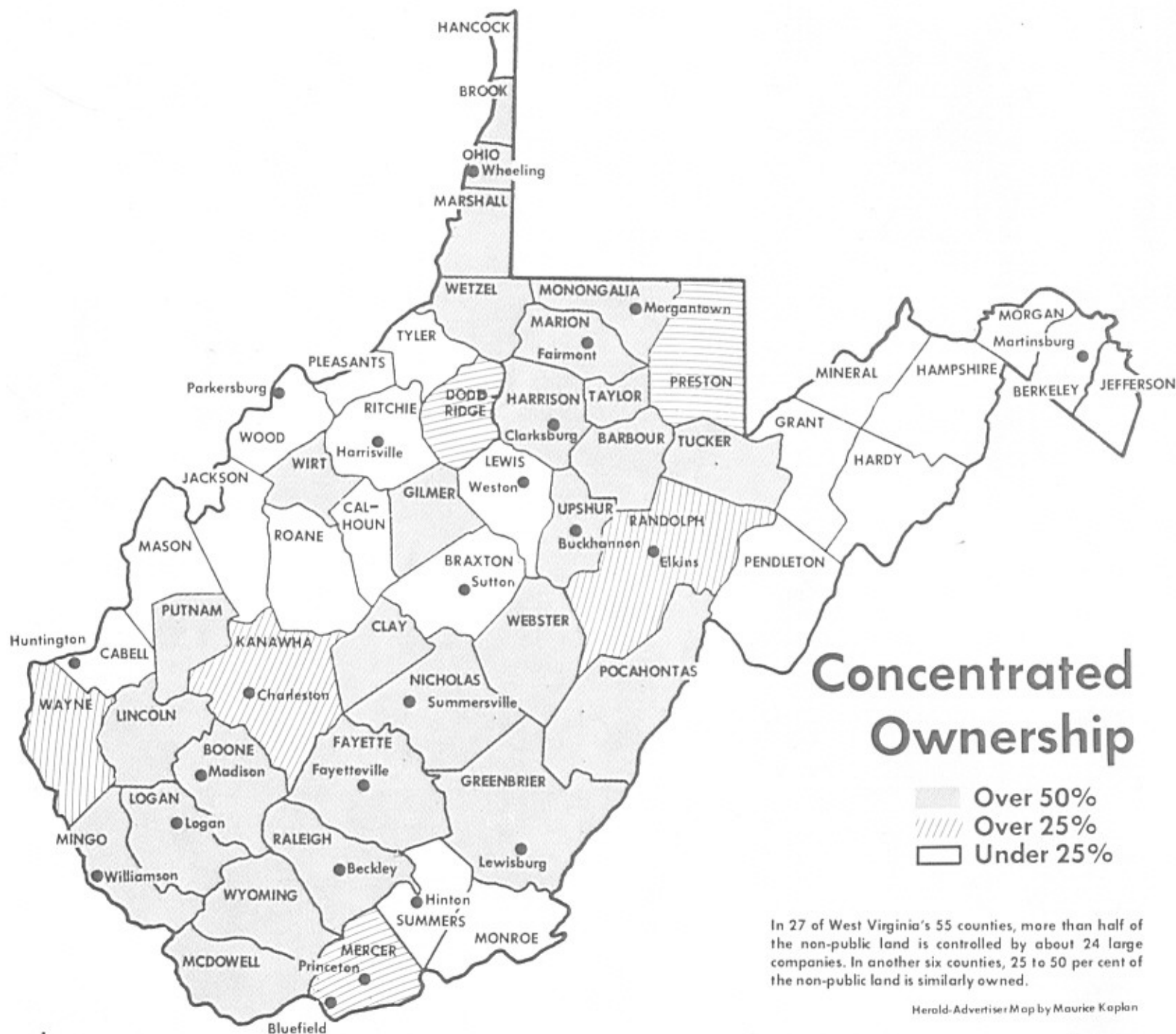
Miller's report was published in The Herald-Advertiser and The Herald-Dispatch December 22 through December 29, 1974. It is perhaps the single most significant piece of detailed reporting ever accomplished in West Virginia, and provides a statistical base never before available to the public.

Miller's reporting raises serious questions about the relatively small tax load shouldered by these giant corporations which control a majority of the state's land. The series, "Who Owns West Virginia?", was accompanied by supplementary reporting by Harry Baisden, graphics by Chief Photographer Maurice Kaplan and photography by Lee Bernard and Frank Altizer.

The information contained in the Miller series is important both to the state's future and the nation's energy policies. Miller and his associates have, it seems to us, effectively answered the question, "Who Owns West Virginia?"

We are pleased and proud to reprint the text of this important work as a public service to our readers and to all concerned citizens and public officials.

N. S. Hayden  
Publisher



## Concentrated Ownership

 Over 50%  
 Over 25%  
 Under 25%

In 27 of West Virginia's 55 counties, more than half of the non-public land is controlled by about 24 large companies. In another six counties, 25 to 50 per cent of the non-public land is similarly owned.

Herald-Advertiser Map by Maurice Kaplan

# Absentees Dominate Land Ownership

By TOM D. MILLER  
Herald-Dispatch Staff Writer

Absentee landlords own or control at least two thirds of the privately held land in West Virginia.

Often paying tiny property taxes, they extract the state's rich deposits of coal, timber, oil and gas. And their activities inevitably help sustain the striking paradox of a state with abundant mineral wealth and much abject poverty.

Pocahontas County contains 603,270 lush mountainous acres, and a giant \$90 million ski resort is being built there. Yet state welfare costs in Pocahontas County exceeded county property tax receipts last year by \$2,000.

A comprehensive study of the 1974 property tax books for the state's 55 counties reveals the following:

- Two dozen out-of-state corporations and land companies — all tied directly or indirectly to mineral industries — own a third of the state's 12 million privately-held acres.

- Thirteen large companies controlled leases on another four million acres of coal or oil and gas rights in 1971; that figure has been growing by an estimated half million acres per year since then.

- In almost 50 per cent of West Virginia counties, at least half the land is owned by the out-of-state corporate interests.

West Virginia's valleys, hollows and hills make up 15 million acres of land. About three million of those acres are publicly owned with national forest land alone totalling a million acres. So the privately held land is about 12 million acres.

The four million acres actually owned by large corporate interests can be listed on the tax books in a variety of ways — fee simple which means absolute ownership including the surface and mineral rights, surface rights only, mineral rights only or even a portion of the mineral rights such as the coal rights or the oil and gas rights.

Usually, any of these various forms of ownership require a listing on the ad valorem real estate property tax books — although some West Virginia counties still don't con-

sider the ownership of coal rights or timber rights to have any value for tax purposes.

In two counties, the amount of acres controlled actually exceeds the total number of acres in the county because of duplication where one firm owns the surface rights and another owns the mineral rights. However, the amount of duplication apparently is slight and does not seem to have a significant effect on computing totals of land control by the large corporations.

In the instances of leases, no property taxes are assessed against the corporations holding the leases. Individual property owners pay the taxes, while the corporation removes the coal, timber or other minerals.

A report by the West Virginia Public Service Commission for 1971 indicated 13 companies leased 3.8 million acres in West Virginia and said the amount was climbing by 500,000 acres per year.

The same report showed Columbia Gas System, one of the 10 largest land owners in West Virginia, leased 1,256,847 acres in 1971 — roughly four times the 326,605 acres it owns and pays taxes on in county property tax books.

And B. P. Romero, vice president of Eastern Associated Coal Corp., estimated his company leases half of its land. Eastern, another of the state's top 10 land owners, is one of the large coal producers in the state.

"We are mining coal at some of our operations, the property of which is owned 100 per cent by a land company, while the others have sizable acreages that are owned by land companies," Romero said.

Consolidation Coal Co. of Pittsburgh, a wholly-owned subsidiary of Continental Oil Co. of Stamford, Conn., is the largest single land holder in West Virginia with 554,097 acres in 10 counties.

Consol is the largest coal producer in the state, having mined 29.8 million tons in 1973. Total land includes some 50,000 acres of coal leases in Marion County which are identified on the tax books.

The Chessie System, Inc., is second in West Virginia land holdings, according to the 1974 tax books. Born in June, 1973, as the par-

ent for the combined Chesapeake and Ohio Railway Co. and the Baltimore and Ohio Railroad Co., the Baltimore-based Chessie System will pay taxes on 517,636 acres in 18 counties this year.

An extensive network of subsidiaries holds Chessie's land titles. Best known is Western Pocahontas Corp. Other Chessie subsidiaries are Mid Allegheny Corp., New River Co., Western Maryland Co., New Gauley Coal Corp., West Virginia and Pittsburgh Railroad Co., Western Maryland Railroad Co. and the famous White Sulphur Springs Co., which operates the 6,500-acre resort in Greenbrier County.

The most concentrated holdings belong to Pocahontas Land Corp., a wholly-owned subsidiary of the Norfolk and Western Railway Co. of Roanoke, Va. Pocahontas has 441,331 acres in six contiguous southern counties — Boone, Fayette, McDowell, Mercer, Raleigh and Wyoming.

Georgia-Pacific Corp., a national lumber and paper company with headquarters in Portland, Ore., ranks fourth with 377,308 acres in 10 counties. But it doesn't like to be grouped with the coal-oriented other corporate land owners in West Virginia.

"There is a striking difference between the forest products companies in West Virginia and other natural resources users," said public relations director Richard A. Good in a letter accompanying the firm's annual report which was requested as a part of this study. "Ours is a renewable resource, and our investment is too great to allow us to hold onto anything less than a healthy, productive timberland."

Good said G-P now owns 293,941 acres of fee and surface acreage in West Virginia. The 377,308 acre figure calculated in the study also includes mineral acreage and some very recent large transactions.

Columbia Gas System, more familiar to West Virginians via its subsidiary, Columbia Gas of West Virginia, Inc. (formerly United Fuel Gas Co.), ranks fifth with 326,605 acres. Most of this is coal rights in Lincoln County,



but recently Columbia Coal Gasification Corp., another subsidiary, has been buying large chunks of coal rights in Wayne County.

Westvaco Corp., which emerged from the old West Virginia Pulp and Paper Co. in 1969, is the sixth largest land owner. Like Georgia-Pacific, the other timber and paper industry in the top 10, it has been active in recent months with the purchase of several additional large tracts.

Westvaco, with headquarters in New York, owns 272,262 acres in 14 counties now. Eastern Associated Coal Corp., a wholly-owned subsidiary of Eastern Gas and Fuel Associates of Boston, ranks seventh in the state. It owns 263,025 acres and was the state's second largest coal producer in 1973.

Another Boston company, Cabot Corp., ranks eighth in the state with 136,995 acres in 13 counties. Cabot is in the oil and gas industry.

Two coal producers round out the top 10 companies — Bethlehem Steel Corp. of Bethlehem, Pa., and The Pittston Co. of New York. Bethlehem has 128,050 acres in 12 counties and Pittston has 124,632 acres in five counties.

Island Creek Coal Co., now a subsidiary of Occidental Petroleum Corp. of Los Angeles and the state's third ranking coal producer in 1973, has 108,215 acres including the holdings of Otter Creek Coal Co., a subsidiary.

A family estate ranks 12th overall in West Virginia. Willis Guy Tetrick Sr., a well-known Clarksburg newspaperman, acquired 98,307 acres during his lifetime. He began by purchasing delinquent lands during the Depression for 10 cents an acre.

Today his widow, Virginia Tetrick, and a son, Willis G. Tetrick Jr., control the holdings which are primarily leased to coal and oil and gas interests.

Pardee Land Co. of Philadelphia, which also includes the Pardee and Curtin Lumber Co., owns 96,406 acres, and Union Carbide Corp., one of the largest chemical producers in the world, has 86,397 acres in West Virginia.

Berwind Corp., also known as Berwind Land Co., is a diversified land holding company in Philadelphia that has 72,123 acres in West Virginia. Westmoreland Coal Co. has 68,934 acres and Hillman Coal and Coke Co., a Pittsburgh company, owns 67,123 acres but

does no active mining in the state.

Valley Camp Coal Co., which owns two-thirds of the land in Ohio County in its name and that of a subsidiary, Kanawha Hocking Coal and Coke Co., claims 64,338 acres on the tax books but leases at least 17,000 acres in Kanawha County.

Southern Land Co. and Dickinson Properties, Inc., of Charleston, is a land company with 63,249 acres while Rowland Land Co., also in Charleston, claims 54,180 acres. The J. M. Huber Corp. of New Jersey has 50,458 acres.

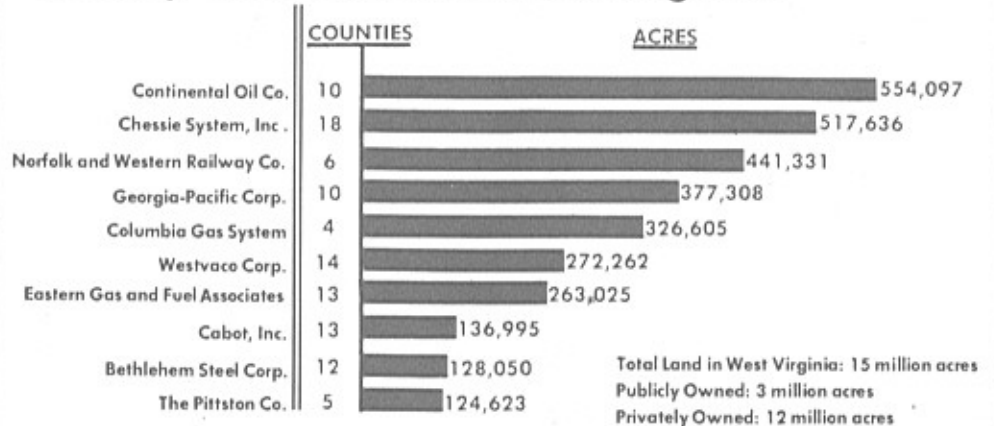
United States Steel Corp. owns 39,749 acres in Logan and Mingo counties and Cotiga Development Co. of Philadelphia owns 39,045 acres — all in Mingo County.

Others with large holdings include Federal Coal Co. of Charleston, 37,835 acres; Amherst Coal Co. of Kanawha County, 35,104 acres; the Coal and Crane Trust with 34,632 acres in Logan and Boone counties (three trustees, including Huntington attorney Luther Woods, administer these lands); and the Dingess-Rum Coal Co. of Huntington which owns 30,742 acres in Logan County.

Armco Steel Corp., the Youghiogheeny and Ohio Coal Co. and Ashland Oil and Refining Co. have lesser land holdings in the state.

Youngstown Mine Corp., a wholly-owned subsidiary of Youngstown Sheet and Tube Co., owns 33,000 acres in McDowell County and the Atlantic Richfield Co. owns 61,000 acres of coal rights in Wetzel County.

## The Top Ten Owners in West Virginia:



Four million acres of West Virginia's 12 million acres of non-public land are owned by about 24 out-of-state companies. This chart shows the amount of land owned by the 10 largest holders, mostly companies

based on the East Coast. The lone exceptions are Georgia-Pacific, which headquarters in Portland, Ore., and the Norfolk and Western Railway Co., based in Roanoke.



Evidences of large company landholdings in Southern West Virginia can be seen in the numerous communities, or "coal camps," like this one built

Herald-Advertiser Photo by Frank Altizer  
by Island Creek Coal Co. to house its workers near Holden, W. Va.

## 2 Natives Hold Seats On Boards

Serving on the boards of directors of the 10 companies holding title to half of West Virginia are 130 men — only two of whom are West Virginians.

J. Robert Fletcher, president and chairman of J. H. Fletcher and Co. of Huntington, and John L. Thomas, president of Thomas, Field and Co. of Charleston, are on the 16-member board of the Columbia Gas System, Inc.

Although the names of most of the directors of the 10 corporations are relatively unknown except in business and financial circles, a few of the directors whose names are more generally prominent.

Milton Eisenhower, brother of the late President Dwight D. Eisenhower, is on the Chessie System, Inc., board. Lauris Norstad,

former supreme allied forces commander in Europe, serves on the Continental Oil Co. board.

The name of Thruston Morton, brother of Secretary of the Interior Rogers C. B. Morton, is familiar to most Kentucky residents — he was once a senator from the Bluegrass State. He is on The Pittston Co.'s board.

And there's Gene Tunney, the former undefeated world heavyweight boxing champion, another member of the Pittston board.

None of the names shows up on two or more boards of directors. However, the board of Morgan Guaranty Trust Co., a major New York bank, is represented on the boards of Westvaco Corp. and Bethlehem Steel Corp.

# Firms Hold 50% Of Private Land In 27 Counties

Here are the 27 counties in West Virginia, listed alphabetically, where at least half the privately owned land in the county is owned by less than two dozen companies or individuals:

## BARBOUR

— 221,062 acres in the county. 12 companies or individuals own 155,958 acres. They are Hillman Coal and Coke Co., 43,404; Eastern Associated Coal Corp., 39,301; Carbonsa Mining Corp., 10,812; Bethlehem Steel Corp., 9,656; Curtis T. Lambert, 9,546; Anna Murphy, 7,969; Lucille Chesser, 7,057; Consolidation Coal Co., 6,917; Frank G. Kittle Heirs, 6,874; C. C. Cornelius Trust, 6,592; The Pittston Co., 6,136; Chessie System, Inc., 1,694.

## BOONE

— 323,840 acres in the county. 23 companies or individuals own 294,612 acres. They are Bethlehem Steel Corp., 29,383; Federal Coal Co., 28,738; Charleston National Bank, 27,788; Southern Land Co., 24,317; Prichard-Holley Estate, 10,061; Appalachian Power Co., 15,992; Thomas A. Yawkey, 13,372; Shonk Land Co., 12,401; Chessie System, Inc., 11,401; Armco Steel Corp., 11,211; Westmoreland Coal Co., 10,987; Oglebay-Norton Co., 10,640; Ashland Oil and Refining Co., 9,198; Cabot Corp., 8,965; Cole and Crane Trust, 8,823; Horse Creek Land and Mining Co., 8,588; Tasa Coal Co., 8,559; Berwind Corp., 8,202; NW Railway Co., 7,400; Little Coal Land Co., 6,471; Winifred Co., 6,000; Rock Creek Collieries Co., 4,684; Mohler Lumber Co., 3,425.

## BROOKE

— 59,200 acres in the county. Seven companies own 47,755 acres. They are Starvaggi Industries, Inc., 10,843; Wheeling Pittsburgh Steel Corp., 9,191; Wheeling Dollar Savings and Trust, 9,008; Wheeling Steel Corp., 5,328; American Electric Power Co., 4,514; National Steel Corp., 4,117; Consolidation Coal Co., 2,954.

## CLAY

— 221,702 acres in the county. Eight companies or individuals own 103,411 acres. They are The Pittston Co., 57,611; Marion Szwarts, 12,171; T. Isalinger and F. Isalinger, 10,786; Chessie System, Inc., 7,083; Porters Creek Coal and Coke Co., 4,690; Carbon Chemical Co., 4,587; Bethlehem Steel Corp., 4,345; Southern Land Co., 2,138.

## FAYETTE

— 426,560 acres in the county. Seventeen companies own 251,031 acres. They are Chessie System, Inc., 44,064; John Nuttall Estate (of Philadelphia), 35,951; Eastern Associated Coal Corp., 34,544; Berwind Land Co., 27,115; NW Railway Co., 22,693; Georgia-Pacific Corp., 11,833; Westvaco Corp., 11,211; Imperial Colliery, 10,663; Kanawha Gauley Coal and Coke Co., 10,352; Westmoreland Coal Co., 9,555; J. L. Buery Estate, 8,700; Union Carbide, 8,500; Allied Chemical Co., 7,422; American Electric Power, 4,025; Charleston National Bank, 3,623; The Pittston Co., 780.

## GILMER

— 219,136 acres in the county. Eleven companies or individuals own 111,356 acres. They are Eastern Associated Coal Corp., 22,966; Gertrude B. Howell, 21,100; Bennett Estate, 20,000; William J. Sheard Estate, 9,249; Chessie System, Inc., 8,755; Parkersburg National Bank (trustee for C. S. Despard), 5,586; Pennzoil Co., 5,584; Union National Bank (trustee for Burke-Smith), 5,400; Daisy I. Dennison Trust, 5,400; Wood County Real Estate Co., 5,004; Burruss Land and Lumber Co., 3,292.

## GREENBRIER

— 554,592 acres in the county (with national forest land subtracted). Ten companies own 228,382 acres. They are Westvaco, 93,922; Georgia-Pacific, 66,628; Savoy Industries, Inc., 22,427; Leckie Smokeless Coal

Co., 15,579; J. M. Huber Corp., 8,882; Cherry River Coal and Coke Co., 7,683; Chessie System, Inc., 5,616; Sarah L. Holland, 3,442; Graham Smokeless Coal Corp., 3,159; Clear Creek Fuel Co., 2,944.

## HARRISON

— 266,880 acres in the county. Twelve companies or individuals own 170,574 acres. They are Consolidation Coal Co., 59,351; Virginia Tetrick, 36,959; The Pittston Co., 19,597; Will is G. Tetrick Jr., 13,947; Owings Development Co., 10,678; Union National Bank (trustee), 16,195; Pennzoil Co., 5,352; Wayne Coal Co., 3,299; Pettito Brothers Inc., 3,157; Bethlehem Fairmont Coal Co., 2,039; Bethlehem Steel, 893; Union Carbide, 93.

## LINCOLN

— 279,704 acres in the county. Ten companies own 330,457 acres (there is a duplication of coal rights, surface rights and oil and gas rights which accounts for the fact the amount the ten companies own exceeds the total amount of land in the county). They are Columbia Gas System, 270,120; Armco Steel Corp., 13,061; Horse Creek Land and Mining Co., 12,239; Sweetland Land Co., 12,943; Southeastern Gas Co., 7,072; Courtney Corp., 6,137; Big Ugly Coal Corp., 3,194; Mohler Lumber Co., 3,184; Ashland Oil and Refining Co., 1,359; Bethlehem Steel Corp., 1,148.

## LOGAN

— 291,725 acres in the county. Ten companies own 220,494 acres. They are Bethlehem Steel Corp., 36,359; Island Creek Coal Co., 32,381; Georgia-Pacific Corp., 30,778; Dingess-Rum Coal Co., 30,742; Cole and Crane Trust, 25,837; Kelly Hatfield Land Co., 22,076; W. W. McDonald Land Co., 14,348; Pardee Land Co., 12,685; Amherst Coal Co., 11,388; Chessie System, Inc., 3,810.

## MARION

— 200,672 acres in the county. Six companies or individuals control 172,514 acres. They are Consolidation Coal Co., 124,503; Bethlehem Steel Corp., 16,406; Eastern Associated Coal Corp., 11,758; Hillman Coal and Coke Co., 9,970; Wheeling Dollar Savings and Trust Co., 8,543; Virginia Tetrick, 1,334.

## MARSHALL

— 201,766 acres in the county. Six companies own 169,580 acres. They are Consolidation Coal Co., 129,354; Hillman Coal and Coke Co., 13,758; PPG Industries, Inc., 8,423; American Electric Power Co., 8,381; Ohio Edison, 8,381; Valley Camp Coal Co., 2,117.

## MCDOWELL

— 344,576 acres in the county. Six companies own 246,943 acres. They are NW

Railway Co., 110,887; Georgia-Pacific, 37,285; Youngstown Mine Corp., 33,656; Berwind Land Co., 31,103; Consolidation Coal Co., 30,816; Allied Chemical Corp., 3,190.

## MINGO

— 271,040 acres in the county. Four companies own 177,322 acres. They are Georgia-Pacific, 56,486; Island Creek Coal Co., 45,521; Cotiga Development Co., 39,045; United States Steel Corp., 36,270.

## MONONGALIA

— 236,044 acres in the county. Four companies control 180,183 acres. They are Consolidation Coal Co., 137,152; Eastern Associated Coal Corp., 27,671; Wheeling Dollar Savings and Trust Co. (trustee), 12,167; Charleston National Bank (trustee), 3,193.

## NICHOLAS

— 362,092 acres in the county. Twelve companies own 247,580 acres. They are Chessie System, Inc., 60,905; Westvaco, 60,392; The Pittston Co., 22,000; Bethlehem Steel Corp., 16,700; Tiaga Lumber Co., 16,594; Georgia-Pacific, 13,972; Black-Mist Fuel Corp., 12,610; Cherry River Coal and Coke Co., 11,400; Flynn Coal and Lumber Co., 10,500; Clearfield Bituminous Coal Corp., 10,200; Federal Coal Corp., 9,015; Amherst Coal Co., 3,692.

## OHIO

— 69,760 acres in the county. Valley Camp Coal Co. owns 45,126 acres.

## POCAHONTAS

— 323,287 acres in the county (with national forest land subtracted). Five companies own 176,732 acres. They are Chessie System, Inc., 53,623; Savoy Industries, Inc., 56,430; Mower Lumber Co., 53,449; Georgia-Pacific, 9,000; Island Creek Coal Co., 4,230.

## PUTNAM

— 224,364 acres in the county. Five companies or individuals own 116,188 acres. They are Cabot Corp., 60,517; J. L. McLean heirs, 14,563; Union Carbide, 14,168; Amherst Coal Co., 13,901; Frank A. Hardy, 13,039.

## RALEIGH

— 390,496 acres in the county. Eleven companies own 271,979 acres. They are Chessie System, Inc., 79,215; Rowland Land Co., 54,180; Westmoreland Coal Co., 48,091; NW Railway Co., 26,304; Piney Coking Coal and Land Co., 24,143; Southern Land Co., 16,080; Wilcox Industries, Inc., 10,162; McCreey Coal Land Co., 7,460; Allied Chemical Corp., 2,808; Consolidation Coal Co., 2,138; Berwind Land Co., 1,398.



## WEBSTER

—292,777 acres in the county with national forest land subtracted. Four companies own 212,322 acres. They are Chessie System, Inc., 71,731; Pardee and Curtin Lumber Co., 71,621; Sun Lumber Co., 35,882; Georgia Pacific, 33,084.

## WETZEL

—230,700 acres in the county. Five companies control 159,680 acres, all coal rights only. They are Atlantic Richfield Co., 61,036; Consolidation Coal Co., 58,465; Chessie System, Inc., 34,652; Wheeling Dollar Savings and Trust, 3,223; Charleston National Bank, 2,304.

## WIRT

—150,022 acres in the county. Five companies or individuals own 103,636 acres. They are Westvaco, 38,976; Glen Roberts, 29,437; Cabot Corp., 18,369; Union National Bank of Clarksburg, 9,892; N. M. Welch, 6,962.

## WYOMING

—324,672 acres in the county. Seven companies own 388,042 acres (again there is duplication of surface rights and mineral rights to account for the fact the latter figure exceeds the total number of acres in the county.) The seven companies are NW Railway Co., 210,719; Georgia-Pacific Corp., 115,432; Chessie System, Inc., 21,796; Youghiogheny and Ohio Coal Co., 28,926; Pardee Land Co., 6,133; Consolidation Coal Co., 2,647; Berwind Land Co., 2,389.

## TAYLOR

—113,401 acres in the county. Two companies, two banks and a foundation own 67,425 acres. They are Eastern Associated Coal Corp., 27,710; the Richard King Mellon Foundation, 19,902; Union National Bank of Clarksburg (trustee), 10,676; Parkersburg National Bank (trustee), 6,442; Brownston Fuel Co., 2,695.

## TUCKER

—176,031 acres in the county (with national forest land subtracted). Ten companies own 94,083 acres. These are Chessie System Inc., 49,929; West Virginia Power and Transmission Co., 22,280; Island Creek Coal Co., 6,584; The Baltimore Co., 4,031; Monongahela Power Co., 2,775; Baird-Catzmer Corp., 1,719; Allegheny Properties, Inc., 1,718; Frazee Lumber Co., 1,475; Eastern Associated Coal Corp., 397.

## UPSHUR

—227,110 acres in the county. Thirteen companies or individuals own 170,149 acres. They are Superior Coal Co., 51,466; Laffosa Fuel Co., Inc., 47,608; William H. Bargeloh Jr., 16,745; Bethlehem Steel Corp., 10,243; Buckhannon Coal Corp., 8,229; Sun Lumber Co., 8,206; Westley O'Dell, 7,165; J. M. Huber Corp., 4,978; Willis G. Tetrick Jr., 3,687; Coastal Lumber Co., 3,623; Joyce Properties, 3,097; Island Creek Co., 2,682; Cabot Corp., 2,421.



The statistics in this series on land ownership and control were assembled by Tom D. Miller from thousands of pages of public records and are subject to minor errors in calculation. The general accuracy of the statistics, however, has been verified from other documents.

# 25% Ownership List Includes 6 Counties

In six other counties in West Virginia, at least one-fourth of the land is owned by less than a dozen companies or individuals. These are:

## DODDRIDGE

—205,830 acres in the county. Five owners have 94,267 acres. These are Virginia Tetrick, 52,463; N. M. Welch, 19,550; Eastern Associated Coal Corp., 13,611; Flint Creek Fuel Co., 6,729; Pennzoid Co., 1,914.

## KANAWHA

—584,563 acres in the county. Six companies own 134,944 acres. They are Union Carbide, 50,447; Eastern Associated Coal Corp., 22,767; Dickinson Properties and Dick-

inson Fuel, 20,530; Valley-Camp Coal Co., 17,095; Shonk Land Co., 12,181; Bedford Land Co., 11,894.

## MERCER

—271,302 acres in the county. Five companies own 79,032 acres. They are NW Railway Co., 63,328; Arlen Property Investors, 7,017; Hawley Coal Mining Corp., 4,564; The McCreery Coal Land Co., 2,591; J. H. Lilly Land Co., 1,532.

## PRESTON

—418,483 acres in the county. Eight companies own 111,967 acres. They are Eastern

Associated Coal Corp., 28,390; Kingwood Mining Corp., 27,566; Jenkins Coal and Land Co., 22,019; Preston County Coal and Coke Co., 9,220; Sandy Creek Fuel Corp., 8,546; Interstate Lumber Co., 6,910; Ocean Coal Co., 4,966; Alyeska, Inc., 4,350.

## RANDOLPH

—492,133 acres in the county with national forest land subtracted. Ten companies own 180,919 acres. They are Mower Lumber Co., 59,787; Neva S. McMullen, 25,000; Coastal Lumber Co., 21,070; J. M. Huber Corp., 19,635; Eastern Associated Coal Corp., 15,230; Davis Elkins et al, 14,309; Island

Creek Coal Co., 12,772; Sun Lumber Co., 6,000; Pardee and Curtin Lumber Co., 3,406; Georgia-Pacific Corp., 2,810.

## WAYNE

—331,443 acres in the county. Ten companies own 91,089 acres. They are Columbia Gas System, 20,000; Cabot Corp., 17,202; Wayne County Land and Mineral Co., 13,659; Prichard Estate, 12,769; Ashland Oil and Refining Co., 11,536; Southern West Virginia Oil and Gas Co., 5,140; Glenhayes Co., 3,694; Hoard Baldwin Land Co., 3,337; First National Bank of Cincinnati, 2,617; Preston Oil Co., 1,135.



Herald-Dispatch Photo by Tim Grobe

Developing West Virginia's natural resources, with such investments as that required to build coal preparation plants, or tipples, like this, often have required out-of-state capital and absentee ownership

of the state's land. This tippie, however, is owned by a West Virginia company, Carbon Fuel Co. of Charleston.

Coal, Timber, Gas Attract Absentee Landlords

# W.Va. Resources Are Companies' Concerns

By HARRY L. BAISDEN  
Herald-Dispatch Staff Writer

All 10 of West Virginia's top absentee landlords are companies which have vital concerns, either directly or indirectly, with the state's major natural resources — coal, timber and gas.

The companies range in size from the giant energy conglomerate, Continental Oil Co., parent of Consolidation Coal Co., to the relatively small Cabot Corp., a Boston-based firm involved in the oil and gas industry.

West Virginia's coal has attracted absentee ownership by four companies that mine coal: Continental's Consolidation Coal Co., Eastern Gas and Fuel Associates' Eastern Associated Coal Corp., Bethlehem Steel Corp. and The Pittston Co. Coal is the key to ownership by two other absentee landlords, Chessie System, Inc., and Norfolk and Western Railway Co., two of the nation's largest coal haulers.

Two companies in the top 10 list are primarily interested in natural gas reserves or in coal that may one day be converted to gas. They are Cabot and the Columbia Gas System, Inc.

West Virginia's forests are the attraction for the other two in the leading out-of-state owners, Georgia-Pacific Corp. and Westvaco (which wants the timber for use in producing paper.)

Nine of the 10 companies (Pittston excluded) had 1973 per cent returns on profits of greater than five per cent and percentage returns on equities for all 10 exceeded seven per cent.

The sales and profit pictures for all the companies except Columbia are showing increases this year over last year's figures. For the first three quarters of 1974, only Columbia shows lower earnings (down 3.9 per cent) than in the same period in 1973.

Continental Oil's sales for the first nine months of this year, \$5.3 billion, exceeded total sales for all of last year by about \$845 million and showed a 72 per cent increase over the first three quarters of 1973. Continental's profits of nearly \$330 million for the nine months exceeded last year's three quarters by 115 per cent.

Chessie System's nine month sales totals were up 19 per cent over figures for the same period a year ago, while profits were 60 per cent ahead of last year's earnings. Sales for the nine months in 1974 were \$948.8 million and earnings were \$73.5 million — both these figures exceed the totals for all of last year.

NW experienced an 18 per cent increase to \$788.1 million in sales and operating revenues for the first three quarters of this year, while its earnings climbed nine per cent from the same period last year to \$142.9 million.

Although its earnings dipped slightly for the nine-month period this year, Columbia's operating revenues showed an 18 per cent increase over the same nine months in 1973 to \$888.2 million.

Westvaco's sales of \$605.9 million for the three quarters were 29 per cent ahead of sales in the same period last year, while earnings soared 86 per cent to \$41.9 million.

Of the 10 companies, Eastern Gas and Fuel enjoyed the greatest earnings increase

for the nine months — a whopping 204 per cent to \$30.2 million, almost \$1 million ahead of earnings for all of last year. Eastern's sales increased 54 per cent to \$374.8 million during the period.

Cabot's operating revenues rose 50 per cent to \$110 million for the nine months and earnings increased 38 per cent to nearly \$8.2 million.

Bethlehem Steel's sales climbed 29 per cent to \$3.9 billion for the three quarters, while earnings increased 43 per cent to \$220.4 million.

Third quarter reports for Pittston are not available, but the company's first half records showed increases of 59 per cent in sales to \$539.9 million and 70.6 per cent in income to \$45.2 million.

In short, the 10 companies that own or control half of West Virginia's land are giant business ventures whose directors are used to seeing nine- and ten-digit figures in their annual reports. Their economic results make even the state's budget pale in comparison.

Continental Oil alone had sales for the first three quarters of this year that were five times the total state budget of just over \$1 billion (including state highways money) for the current fiscal year.

The earnings for the smallest of the 10 companies, Cabot Corp., in 1973 were nearly three times the total budget for Cabell County, including revenue sharing funds, for the current fiscal year — about \$3.5 million.

In all, the 10 companies reported about \$15.9 billion in sales and nearly \$1 billion in earnings for 1973.

# Wayne Assessing Gives Gas Firm Land Tax Break

One of the most active land markets in West Virginia is found just a few miles from Huntington in Wayne County where Columbia Coal Gasification Corp. (CCGC), a subsidiary of Columbia Gas System of Wilmington, Del., has been buying coal land for the past two years.

Columbia Gas System ranks fifth in land holdings in West Virginia.

Records in the Wayne County clerk's office indicate CCGC has purchased approximately 20,000 acres of coal rights during the last two years. Although the company is paying \$60 an acre or more for these coal rights, it can expect to pay less than five cents a year in property taxes on each acre if present property assessment practices continue.

Wayne County Assessor Lewis Glenn Mills said in an interview he assesses coal property at a value of about \$3 per acre, even though a 1966 directive from the State Tax Department suggested a value of \$94 per acre for tax purposes.

Mills said his assessments are based on a 1962 appraisal.

"If I raised assessments on coal properties, I would have to raise it on all property, and I don't believe in a tax increase if we don't need it," he added. "We have enough property tax money to run the county now."

Overall, Columbia Coal Gasification Corp. has spent about \$1.5 million for more than 100 separate tracts of land in Wayne County. Eighty-nine separate transactions already have been recorded in 1974 at a cost of \$728,034 for about 9,300 acres.

Unlike neighboring Lincoln County, where Columbia Gas System owns most of its 300,000 acres of coal rights in West Virginia (270,000 acres according to the 1974 Lincoln County tax books), Wayne County had in the

past seen no extensive land holdings by Columbia.

On May 15, 1974 Columbia consummated a deal with Carter Oil Co., a subsidiary of Exxon, to allow Carter to develop two underground coal mines on the Wayne-Lincoln border. The plan is to produce 2.2 million tons of coal a year in each of the two mines with the

first expected to be in operation by 1978. Monterey Coal Co., a subsidiary of Carter Oil Co., will mine the coal.

So the recent land activity apparently is designed to provide development property for this undertaking. In some instances, CCGC is purchasing the land fee simple which involves total ownership of both surface and mineral rights, but in most cases the purchase involves the coal rights only.

As is the present situation in most counties in West Virginia, the assessed value for these properties will be far below the market value. Thus the corporation will be paying only a fraction of the ad valorem property taxes it would pay if true value of coal rights was used to determine the tax liability.

One 4,522-acre tract on the 1974 tax books nets the county \$193.92, or less than five cents an acre in property taxes.

This land was purchased Nov. 12, 1972 from Bessie A. Fry, C. H. McKown and R. G. Prichard. The cost, according to the deeds, was \$265,326 or about \$60 per acre — approximately 15 times the value carried on the 1974 tax records.

That same day a deed for 3,616 acres was recorded with a price of \$271,252.50, or about \$75 per acre. The owners were M. J. Prichard, B. R. Prichard and R. G. Prichard. This property has a \$9 per acre value on the 1974 tax books.



Herald-Advertiser map by Maurice Kaplan

This map indicates the portion of Wayne County that is owned by absentee landlords. Approximately one-fourth of the county is owned by 10 companies as indicated by the gray area in the bottom and lower right of the map.



The third large CCGC purchase in Wayne County was 2,043 acres from William H. Smith on Dec. 20, 1972 for \$150,000, again nearly \$75 per acre.

Columbia Coal Gasification Corp. then sold the oil and gas rights on this property to Columbia Gas Transmission Corp., another Columbia Gas System subsidiary the next day for \$15,000.

Here are the more recent land acquisitions by CCGC in Wayne County according to deeds recorded in the county clerk's office:

— Nov. 18, 1974, Clyde P. Toney and Mary W. Toney, two-thirds interest in 41 acres, Union District, \$1,675.60.

— July 12, 1974, Ceiva Davis Hulett and John Hulett and John Garnet Hulett and Laura Martha Hulett, 118.4 acres, Stonewall District, \$7,104.

— Oct. 30, 1974, Garland Napier and Ruby Napier, 94.9 acres, Union District, \$5,694.

— Oct. 30, 1974, Howard T. Taylor and Mescal Osburn Taylor, 67 acres, Stonewall District \$17,000.

— Oct. 21, 1974, Floye F. Sansom, Mae Sansom Bias, W. B. Bias, Millie Sansom Adkins Allie Adkins and Zuma Bias, 205 acres (4 6 interest), Union District, \$10,250.

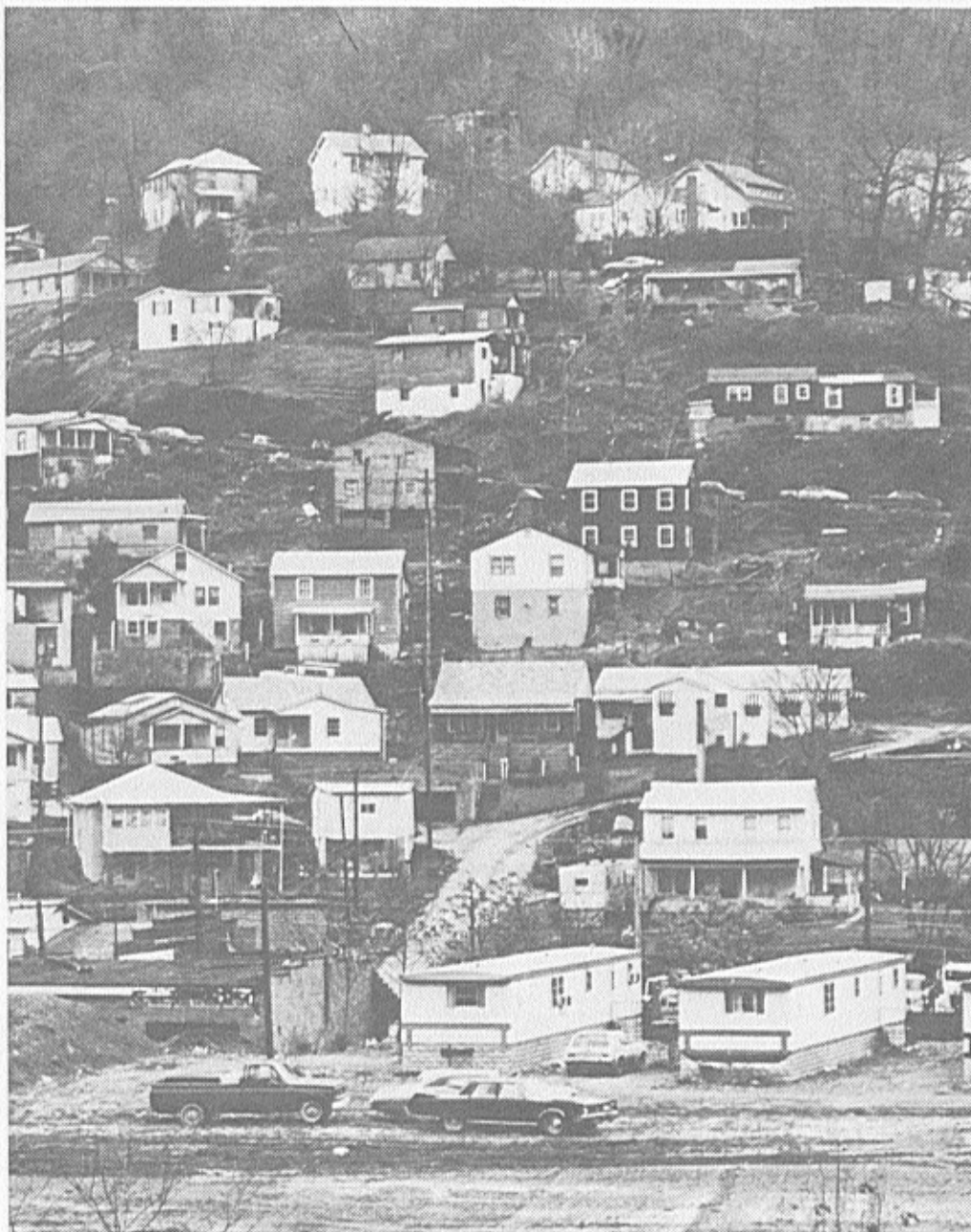
The largest transaction in 1974 has been 1,363 acres acquired March 4 from five separate parties for \$102,500. With these transactions, a dozen companies now own or control more than one fourth of the total acreage in Wayne County.

## Honey Gone, Rock Left

The author of a 1970 book on coal mine health and safety in West Virginia categorized the out-of-state do mination of land and minerals as a form of "colonization."

J. Davitt McAteer recalled the lines from "Honey in the Rock", the outdoor drama of West Virginia, which read:

"They have taken the honey and left us the rock."



Since large outside companies own much of West Virginia's land, residents must scrape to find room for

their houses in what land is left over. Homes in the City View section of Logan perch on a steep hillside.

# Early Coal Deals Tied To Ancestor Of JFK's Widow



The late John F. Kennedy cut a dashing path through Southern West Virginia on his way to the presidency in 1960. An imposing portrait of the late president is the first thing most visitors see when they walk in the McDowell County Courthouse in Welch.

But his wife's ancestors made an equally impressive although less publicized mark in McDowell County a century earlier.

Michael Bouvier, great-great-grandfather of Jacqueline Bouvier Kennedy Onassis, was one of the first successful land speculators in West Virginia.

An immigrant cabinet maker in Philadelphia, he began buying coal land in McDowell County in 1847, according to deeds recorded in the courthouse. The first recorded transaction was for 63,000 acres from John Hermon at a cost of \$22,000 — about 35 cents an acre.

This information is chronicled in "The Bouviers, Portrait of An American Family" by John H. Davis.

Altogether Bouvier acquired 157,000 acres for less than 50 cents an acre and

**The Kennedy image —like memories of the late President's campaign through the Southern West Virginia coalfields —remains at the McDowell Courthouse in Welch.**

sold it all for twice that amount a few years later.

The will of John Vernou Bouvier Jr., his grandson and the grandfather of Jacqueline Lee Bouvier, is recorded in McDowell County and includes a \$3,000 bequest to each grandchild. Bouvier land holdings appeared on McDowell County property tax books until 1944.

Several other Philadelphia land companies found West Virginia lands an attractive investment.

Cotiga Development Co., which owns nearly 40,000 acres in Mingo County, is based in Philadelphia. The company once maintained an office staffed with an agent in Williamson but this was abandoned several years ago, according to officials at the Mingo County Courthouse.

Boston land speculators also played a large role in the acquisition of land in West Virginia. The best known is Gauley Coal Land Co., which sold its holdings to Westvaco Corp. last year.

Gauley Coal Land Co. was formed as a West Virginia corporation in 1903 to acquire about 170,000 acres of bituminous coal and lumber lands on the headwaters of the Gauley River.

Its president was J. G. Bradley of Lewisburg, but all the other senior officers were from Boston and the company headquarters was always maintained in Boston.

Henry L. Shattuck, writing in a 1968 volume of the Massachusetts Historical Society, told of his experiences as a representative of Gauley Coal Land Co. between 1910 and 1918.

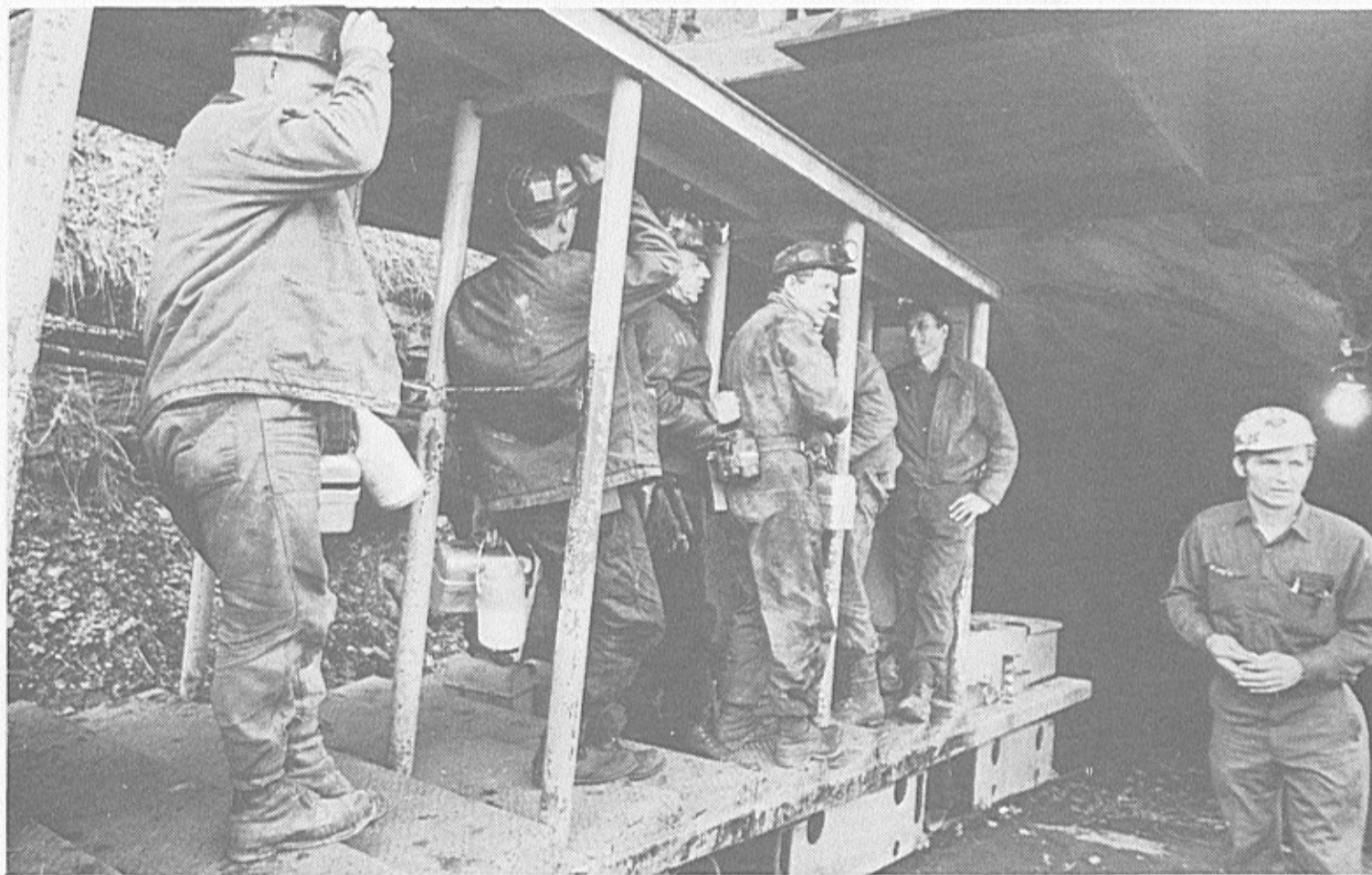
"I was actively engaged in attempting to straighten out the land titles of the Gauley Coal Land Co., the owner of some 150,000 acres of land bought for coal development and situated in Greenbrier, Nich-

olas and Fayette counties, West Virginia," he wrote in a paper read at the society's annual dinner Oct. 10, 1968. Most all of West Virginia's land titles came from the Commonwealth of Virginia Land office and were made in the late 1700s and early 1800s to veterans of the Revolutionary War — long before West Virginia became a state in 1863.

Shattuck told of his travels to Rupert,

Summersville and Hominy Falls by train, buggy and even horseback.

"Years later I went over my old stamping grounds," he said. "All was changed and not for the better. There were hard roads, the fine trees had been cut and mines had been opened. I was unable to recognize the spots with which I had become familiar."



West Virginians live atop some of the richest coal seams on Earth, but usually are the men who ride man trips like this one in Logan County deep un-

der the state's mountains to dig the coal for large companies outside the state.

Herald-Dispatch Photo by Lee Bernard



# West Virginians Realize

"You had to work for the big companies or you didn't work at all."

Cecil Thompson, a retired coal miner from Harts, W. Va., summed up the control that large absentee landowners have exercised over the lives of the people in much of West Virginia, particularly in the coalfields.

Throughout Southern West Virginia, the feeling of the inevitability of big company domination has long been an accepted fact in the lives of the people. The residents of Holden, a town with a population of 2,235 in 1970, for example, have never questioned the fact that their town was built and owned by Island Creek Coal Co.

The town has never had a municipal government — Island Creek took care of all the public services. Island Creek, a subsidiary of the giant Occidental Petroleum Co., recently sold most of its property in Logan County to Youngstown Mines Corp.

Another Harts resident, Robert Dalton, said the big companies "have ruined" everything. There's not any fish in the Guyandotte

River anymore and it's the companies' fault."

Although local officials of the big companies seldom participate in state and county politics directly, West Virginians believe the companies are the moving force in the state's government. "The legislature has always been told by the coal companies what to do," Dalton said, "but I don't think it will continue that way."

When talking with residents about the influence of these companies, the interviewer need not bring up the subject of vote buying — it's a subject West Virginians introduce on their own. Yet, if a poll were conducted, it would show that nobody sells his vote.

"I always vote the way I want to," Dalton said, "but that company money is what gets people elected."

Otis Foster, the owner of three restaurants in Mingo County, also brought up the subject. He said company money used for vote buying is what determines who will represent the people of Mingo County.

"If the big companies want (State Sen.) Lafe Ward (D-Mingo) out, he's out," Foster claimed.

A group of men talked with a reporter in a Logan tavern. They all insisted money from the big companies circulates freely on election day, but none said they'd ever sold their vote.

The bartender added, "They're (local politicians) all bought. If I wanted to be sheriff, I'd have to have the money and I'd have to get it from the companies."

Foster added that the influence of the big

companies on politics extends beyond election day. "You or I couldn't even get in to see (Gov.) Arch Moore," he said, "but the president of Norfolk and Western wouldn't have any trouble at all seeing the governor."

"The small man doesn't have any say," Foster said. "You've got to have the sugar."

Elmer Dickinson, a retired high school teacher living in Kermit, talked about a state senator who owed allegiance to two large absentee companies. "When the legislature got into a coal slurry pipeline question, one of the companies wanted it and another didn't. So he (the senator) resigned his seat. He knew he was dead no matter how he voted."

"Back when they built Bluestone Dam (near Hinton), they put in the pin stops to install electric generators; but Henry Hatfield, who was governor then, was involved with coal interests and didn't want a hydroelectric power station," he said. "So they didn't put in the generators."



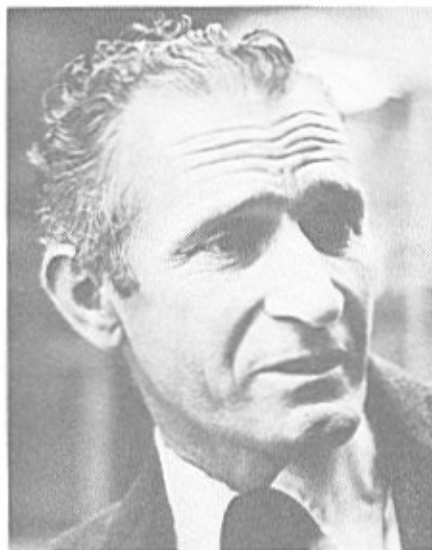
—Robert Dalton,  
Harts, W. Va.

*'The legislature has always been told by the coal companies what to do, but I don't think it will continue that way.'*





# Coal Domination



A retired Mingo County schoolteacher, who asked not to be identified, said she doubts if the people realize how much these companies own.

"You see the homes and stores in the valleys but you just don't think who owns all that property up on the hillsides," she said.

Ernest Marcum of near Logan talked about how a strip mine had ruined "a whole hollow" owned by his sister. "They're poor people," he said of people who have gone through his sister's experience, "and they don't have any say in what happens."

—Tom Tomblin,  
Logan County Clerk

*'Originally, the large companies had only profit in mind, but today they realize they've got to take care of these people.'*

—The Rev. Elmer McCloud,  
Dingess, W. Va.

*'We're just here and they take what they want.'*

Although they often complain, the people of Southern West Virginia show by their actions they generally are content with this domination. Cecil Thompson worked most of his life for Island Creek and said, "It suits me."

Dr. Norman O. Simpkins of Marshall University's sociology department said the fact that the people are busy working for the companies and are satisfied with their community ties keep them from doing anything to change all that.

Those who are not satisfied more often than not leave. Dickinson, who taught at Lenore High School for several years, said, "I used to see them every spring at graduation. Their cars would already be packed and waiting down off the hill to take them to Columbus."

And there are those who think things are changing, even though large companies have been busy recently buying up even more of the land. "Times are changing, baby," said one of the Logan tavern customers.

Tom Tomblin, Logan County clerk, spoke of these changes. "Today is a little different than 10 years ago," he said. "Originally, the large companies had only profit in mind, but today they realize they've got to take care of these people."

Tomblin said this change has been brought about by more education for the people

—Cecil Thompson,  
Harts, W. Va.

*'You had to work for the big companies, or you didn't work at all.'*

ple and by businesses that have learned more about the needs of the people.

Although he admitted the people of Appalachia were once taken advantage of by land and mineral speculators, he contended the large companies have made their contributions. "They've contributed jobs, they've contributed to the economy and even some of their people have helped in civic affairs," he said.

Tomblin said since he has been involved in politics the large companies who have operations in Logan County have been cooperative with local government. He said they have made land donations for an airport, for public playgrounds and for a sanitary landfill.

Foster doesn't think the companies that bought West Virginia land for as little as \$1 an acre were in the wrong by doing that. He said it is all part of the American free enterprise system. "If they had held a gun to the side of the landowner's head and forced him to sell, it would have been different," he said.





When Georgia-Pacific Corp. acquired 3,700 acres of timberland in Greenbrier County in 1970, the

\$726,660 sale included six tracts "which constitute the entire town of Rainelle", shown here.

# W.Va. Land Buys Persist In Sale Of Timber Tracts

While large portions of West Virginia land have been controlled for decades by large out-of-state companies, purchases have continued in recent years.

Probably the largest single recent sale was the \$6 million paid by Westvaco Corp. a year ago for nearly 165,000 acres in Nicholas and Greenbrier counties from the Gauley Coal Land Co.

The sixth largest single landowner in West Virginia now, Westvaco purchased the land in a variety of forms — 123,178 acres fee simple (absolute ownership); another 34,140 acres of mineral rights only, 162 acres of surface rights only and a 78 per cent interest in an additional 7,333 acres — some of which is fee simple and other mineral or surface rights only.

Gauley Coal Land Co. had been formed 70 years earlier to acquire these coal lands and

was headquartered in Boston. The overall deed also included 14 oil and gas leases, 22 coal leases and six timber sale agreements.

The deed was recorded Dec. 16, 1973. A more complex transaction was recorded Sept. 3, 1974, when Westvaco purchased 5,473 acres some four miles northeast of White Sulphur Springs in Greenbrier County for \$684,126.88.

The owners were George T. and Mary C. Buskirk and Martha B. and George H. Hanshaw. A year earlier Island Creek Mineral Co. had been the owner but on Dec. 3, 1973, this West Virginia corporation had dissolved and turned over its real estate to the two people who each had a 50 per cent interest in the corporation.

The 1974 tax books in Greenbrier County indicate a value of about \$10 per acre for the

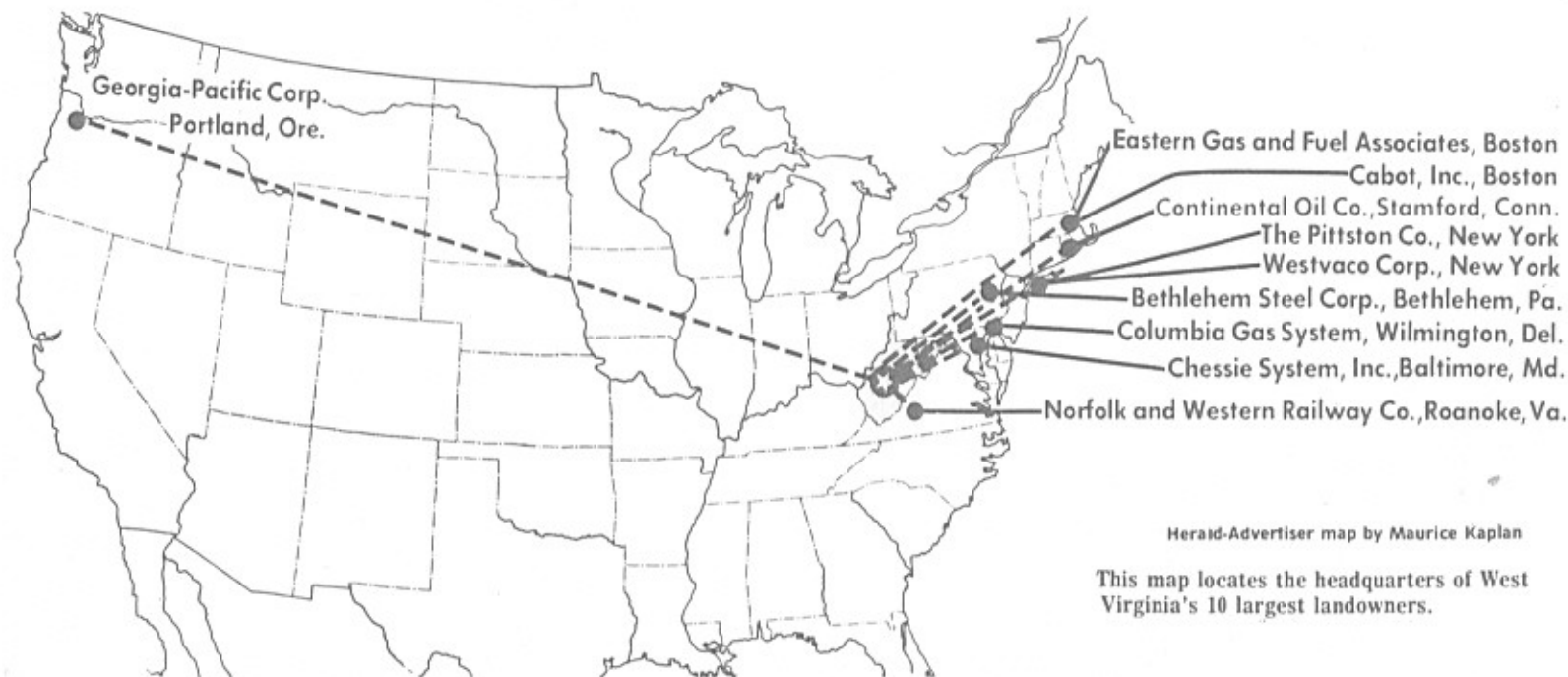
land or some 13 times less than the selling price.

WESTVACO purchased seven other tracts in Greenbrier County between these two major transactions including:

- on Sept. 17, 1974, 162.5 acres for \$20,000.
- on Sept. 6, 1974, 327.85 acres for \$32,762.
- on May 28, 1974, 424.5 acres for \$45,812.50.
- on May 24, 1974, 325 acres for \$36,250.
- on Feb. 21, 1974, 66.41 acres for \$2,000.
- on Feb. 11, 1974, 14,931 square feet for \$20,000.

Records show that in 1974, Westvaco has spent nearly \$1.2 million for land in Greenbrier County alone.

Georgia-Pacific Corp., the other giant of the timber industry in West Virginia, has been just as active in recent years.



Herald-Advertiser map by Maurice Kaplan

This map locates the headquarters of West Virginia's 10 largest landowners.

On Dec. 15, 1970, G-P acquired 8,804 acres fee simple, 3,700 acres of surface rights and 538 acres of mineral rights from the Meadow River Lumber Co. Again in Greenbrier County, these 61 tracts involved in a single deed included six "which constitute the entire town of Rainelle" and cost G-P \$726,660.

Less than two years later, Georgia-Pacific acquired 82 tracts in a single deed. This included 12,573 acres fee, 3,161 acres of mineral rights and 277 acres of oil and gas rights. No price was indicated since G-P acquired this land by merging with Meadow River Coal and Land Co. and making it a subsidiary.

Georgia-Pacific began its stake in Greenbrier County by acquiring the W. M. Ritter Lumber Co. the same way in 1960 after the latter firm had taken over the Cherry River Boom and Lumber Co. and its 34,000 choice

acres of land the previous year.

The last G-P purchase recorded in Greenbrier County was June 1, 1974 when 116 acres were purchased for \$49,407.

The \$3 million paid for about 2,200 acres of coal rights in Boone County earlier this month was the largest known coal sale in recent years. There five Charleston attorneys acted as a straw party for five other gentlemen who wished to remain unidentified.

Often coal transactions involve a maze of corporate dealings and the chronology of the Berwind Corp. is a case in point.

On Sept. 30, 1964, Havana Coal Co., a New Jersey corporation, and the New River and Pocahontas Consolidated Coal Co. merged with the Berwind-White Coal Mining Co., a Pennsylvania corporation. Some 72,000 acres changed hands with a value of \$3,770,000.

Then on March 9, 1967, the name was

changed from Berwind-White to Berwind Corp. But on July 6, 1971 Berwind Corp. transferred its real estate holdings to the Berwind Land Co., a West Virginia corporation.

The recent actions of Maryland Coal and Coke Co. provide further evidence of corporate shuffling.

On July 22, 1974, Maryland Coal and Coke Co. purchased some 36,750 acres in Wyoming and McDowell counties from Samuel H. Gilbert and John A. Mullican, both Pennsylvania trustees for family estates, and paid \$1,398,445.

Two days later Maryland Coal and Coke Co. sold the timber rights on 21,000 acres of that tract to Georgia-Pacific Corp. for \$976,439. Maryland Coal and Coke retained the "coal and other mineral rights" to the property.





Herald-Dispatch Photo by Lee Bernard

## ***Black Diamonds***

Coal, West Virginia's "black diamonds," is a primary attraction for out-of-state investment interests who

reap profits from supplying the valuable mineral to an energy-hungry nation.



# Land Leases Reduce Tax Category On Holdings Of Industry Giants

In 1970, 6,400 acres of land in Tucker County owned by Western Maryland Co. — a subsidiary of Chessie System, Inc. — were valued at \$51,200 for tax purposes.

More importantly, the tax classification imposed by Assessor Gaston E. Poling on this tract owned by the state's second largest land owner was Class II when normally all corporate property is considered Class III. The tax rate on Class III is twice the rate on Class II.

The West Virginia Constitution provides that Class II property is that "owned, used and occupied by the owner thereof exclusively for residential purposes and upon farms occupied and cultivated by their owners or bona fide tenants."

Thus, Western Maryland Co., the largest land owner in the county, paid 1970 taxes of \$619 for the 6,400 acres. That's less than 10 cents per acre. In Class III, the tax bill would have been \$1,238.

Four years later the property continues in Class II and with the tax rate dropped, the firm now pays \$408 per year in taxes, about six cents an acre.

Assessor Poling has a simple explanation.

"I went to the company's office in Thomas and they showed me records that this land is leased to people for grazing purposes," he said. "So it qualifies for Class II since they are in fact renting the land for farm use."

Poling said the land in question is actually "not much good for grazing" since a fire burned it out recently and "about all you have there now is a few scrub trees."

West Virginia Power and Transmission Co., a subsidiary of Monongehela Power Co. and the second largest land owner in the county, has some 2,000 of its 22,000 acres also classified as Class II.

"It's the same situation," said Poling. "This land is leased for farming purposes."

The latter property is located in the beautiful Canaan Valley.

Thus, a corporation can cut its tax bill by one half by leasing the land for farming purposes. If it can manage a lease of as much as six cents an acre, it can break even.

In a study by the Appalachian Research and Defense Fund in 1971, a research team found that the tax assessments of Western Maryland and West Virginia Power and Transmission Co. had dropped substantially in the previous five years while other property owners saw their taxes doubled.

They concluded Tucker County had lost at least \$18,000 a year in tax revenues because of this.

In 1973, property taxes for Tucker County's 270,000 acres totaled \$293,543. The state spent \$448,856.07 that same year in welfare payments in Tucker County.

The assessed value of Western Maryland Co. acreage was reduced from \$17.81 per acre in 1965 to \$11.53 per acre in 1970. This year it has dropped even further to less than \$9 per acre.

The culprit was a statewide reappraisal, in this instance. The decreased values were fixed by a Dayton, Ohio, firm.

The firm that did the work was an associate of the American Appraisal Co. of Milwaukee, which also does appraisals for private and corporate clients. Its major clients include railroads, electric utilities and other

giant corporations.

Tucker County is not the only county in West Virginia where land, presumably being held for potential development of coal reserves, is taxed at the Class II rate. In Monroe County, the 1974 tax books show that the Robinson Phillips Coal Co. has 1,476 acres on the tax books as Class II.

In other instances property lies dormant at a low value for decades. The Doddridge County assessor hasn't increased the value of one 12,068 acre tract there for at least 30 years.

The Tetrick family estate owns 52,463 acres in Doddridge County and the 12,068-acre tract is a part of that. It was valued at \$1 per acre or \$12,068 for the entire tract in 1944 and it carries the same value this year.

In 1974 the estate paid the grand sum of \$264.32 for this tract of land or about two cents per acre.



Map locates Tucker County

# 22 Counties Not Dominated

West Virginia has 22 counties where out-of-state corporate interests do not own or contest at least 25 per cent of the land in the county. Most of these counties are along the Ohio River and the state's eastern border.

But they have another common bond. None is thought to have any sizeable coal reserves or other mineral wealth.

Cabell County is the least-occupied with none of the top 10 or even top 20 land owners in the state having any holdings in this county.

Summers County has only limited land holdings, with Cabot Corp. owning 5,874 acres; J. P. Hamer Lumber Co. of Kenova, 4,252 acres; Union Carbide, 1,225 acres, and the J. L. Buery Estate, 3,058.

The three counties located in the state's Eastern Panhandle also have been immune to the concentration of land ownership. However, tax officials in tiny Morgan County say they are now mailing some 8,000 tax tickets

each year to out-of-state residents. Most of these are Eastern seaboard residents who have purchased a lot for a summer vacation home.

Bethlehem Steel Corp. has 1,050 acres in Berkeley County and the DuPont Co. has 1,671 acres. In Jefferson County, Bethlehem Steel owns 730 acres.

Other counties in the list of 22 where less than 25 per cent of the land is held by absentee landlords are:

- Braxton County, where 73,078 acres or 22 per cent of the land is owned by 14 companies or individuals. Island Creek Coal Co., the Chessie System, Inc., Pardee Lumber, Eastern Associated Coal Corp. and Cabot Corp. all have holdings here.

- Calhoun County, with 43,653 of the 179,328 acres owned by less than a dozen firms or individuals. The largest are two family estates while Westvaco has 6,672 acres and Cabot Corp. 9,983.

- Grant County, with 51,170 acres or 17 per cent owned by six companies. Chessie System, Inc. leads with 23,416 acres.

- Hampshire County, where 34,749 of its 410,240 acres are owned by nine companies. Westvaco owns nearly 10,000 acres here.

- Hancock County, where National Steel Corp. pays half the property taxes in the county but owns only 1,638 acres of the 46,731 in the county.

- Hardy County, with 57,573 acres of the 368,000 in the county controlled by 14 individuals or firms. J. M. Huber Corp. has 5,500 acres here.

- Jackson County, with 24,484 of the 301,440 acres owned by a half dozen firms. Cabot Corp. has 5,072 acres, Westvaco, 4,743 and Union Carbide, 2,956.

- Lewis County, where six firms or individuals own 52,978 of the 250,464 acres.

## River Port, Lack Of Mineral Wealth Blocked Cabell Absentee Ownership

Two factors have combined to keep Cabell County free of the absentee land ownership so common in many West Virginia counties — a lack of mineral wealth and its strategic location as a river port.

The least occupied of the state's 55 counties in terms of large out-of-state corporate land holdings, Cabell County has few land owners with holdings of 1,000 acres. Most of those are family estates. Overall there are about 182,500 acres in Cabell County.

The largest single land holder, according to the 1974 property tax books, seems to be the W. O. Walton estate with 1,402 acres. The J. H. Harshbarger estate has 1,029 acres in Grant District.

Eighth Street Realty Co. owns 730 acres. Cabell County Assessor John W. Cremeans said that is the Azel Meadows estate.

Residential and recreational developments in the rural areas of the county have produced the most land activity in recent years. Guyan Estates, Indian Meadows and Malcolm Spring Heights have used several acres to produce housing.

The Surplus Land Co. owns 197 lots and 98 acres in McComas District which is developed to sell recreational lots and is known as Holiday Park.

The Esquire Group, Inc. has purchased 314 acres near Martha which is being developed as a recreational complex and the individual

lots being sold there will go on the tax books next year, according to Cremeans.

Franklin Real Estate, a subsidiary of Appalachian Power Co., and the DuPont Co. both appear on the county tax rolls but each has less than 100 acres. There are also several farms in excess of 100 acres in the county.

"Huntington has been a center of commerce in its development stages and was the port used to transport the mineral wealth of the other counties," said Cremeans. "Since there was no sizable deposits of coal, oil and gas or even timber in the county, it obviously didn't appeal to the early land speculators who acquired the large land holdings in other counties."

# By Outsiders

Chessie System, Inc. has 19,025 acres and Eastern Associated Coal Corp. 16,577.

— Mason County, with 34,268 of its 285,280 acres owned by four companies. Central Coal, a Pittston Co. subsidiary, has 19,279 acres, Union Carbide, 9,008; Cabot Corp., 4,064 and Westvaco, 1,917.

— Mineral County, with 19,008 of its 211,200 acres owned by three firms. Chessie System, Inc. is the largest with 10,222 acres.

— Monroe County, where three firms own 17,014 acres of the 303,232 in the county. J.M. Huber Corp. has 8,397 and Westvaco 7,141.

— Pendleton County, where half of the 447,283 acres is owned by the federal government. J. M. Huber Corp. owns 2,543 acres.

— Pleasants County, with 9,409 of its 86,176 acres owned by seven firms. Westvaco leads with 5,356 acres.

— Ritchie County, with 52,289 of its 291,372 acres owned by a dozen companies or families. Westvaco again leads with 21,663 acres.

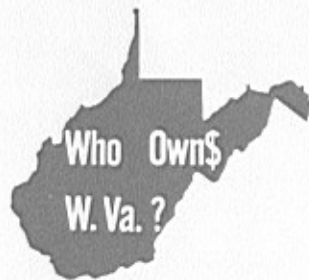
— Roane County, where 75,117 of the 311,168 acres are owned by a dozen firms. Columbia Gas has 32,278 acres.

— Tyler County, with 24,956 of its 116,476 acres owned by a half dozen firms. An individual owns 8,039 acres and the Union National Bank of Clarksburg is trustee for a 6,920-acre estate.

— Wood County, where 23,258 of the 241,804 acres are claimed by Cabot Corp. and Westvaco.



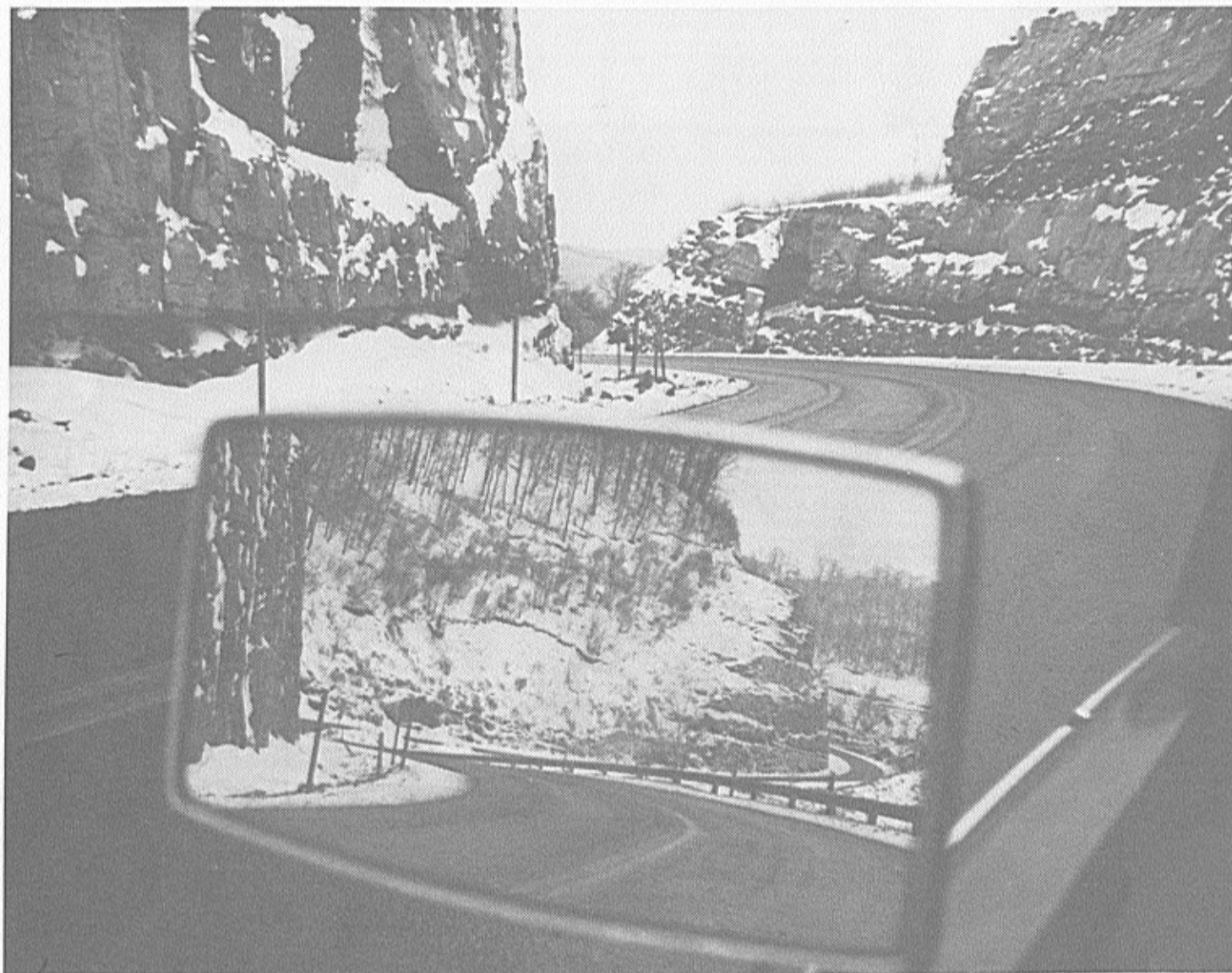
Herald-Dispatch Photo by Frank Altizer



Company houses, jammed together in narrow hollows like soldiers on a drill field, mark the influence of large coal companies on the lives of the people in West Virginia's coal fields. This coal town

is called No. 21 Holden, named for the mine just outside the Logan County town where most of the men who lived in these houses when the mine was operating worked.





Herald-Advertiser Photo by Lee Bernard

Two views of Route 99: Driving along it, it is obvious it has little traffic; it is even more obvious

that no one lives along Route 99.



# Route 99 Classic Example Of Coal Firms' Influence

By TOM D. MILLER  
Herald-Dispatch Staff Writer

The large corporate interests that control two thirds of the land in West Virginia traditionally have exerted substantial influence at the state capitol in Charleston. This is particularly true of coal companies.

A classic example of this government influence was the construction of W. Va. Route 99 — a 10-mile highway from Route 85 in Boone County to Bolt in Raleigh County.

It is perhaps the best, and most expensive, stretch of two-lane road in southern West Virginia. It cost \$5.2 million when built in 1966-'67 and another \$1.4 million in 1970 when the permanent blacktop service was added.

The West Virginia Department of Highways has always maintained the first criterion used for road construction is whether the road will pay for itself in terms of the gas tax taken in by vehicles using the road. Driving along Route 99, it is obvious it has little traffic. It is even more obvious that no one lives along Route 99.

Gov. Hulett C. Smith, who held office at the time, suggested the entire area was going to be a scenic recreation area when he was asked why the road was built. Instead, both sides of the mountains are lined today with the multi-level scars of strip mining — land inaccessible even to huge strip mining equipment until the road was built.

A spokesman for the then commissioner of highways, Burl Sawyers, had another explanation. He was quoted as saying the road "had opened that area up" even though he

was unsure who made the decision to build the highway.

It did serve as a much better access to a new Eastern Gas and Fuel Associates mine near Kopperston. At one point, there were indications a rural New Town at the eastern end of Route 99 would be built with federal assistance. That idea died after it became known Eastern wanted it solely as a company town for its employees.

The road itself is made of six inches of asphalt poured over 12 inches of crushed rock — extremely sturdy construction even for a mountain road. It is capable not only of handling the few cars that travel the road, but also of the semi-trailers carrying explosives and equipment to the strip mines.

Most of the land stripped and the highway right-of-way was owned initially by Eastern Gas and Fuel Associates. It later was acquired by Pennva, a land-holding subsidiary of The Pittston Co.

Leo Vecillio of Beckley is president of Ranger Fuel which operated 21 strip mines along the road and also 20 mines in Pond Fork which was made accessible by Route 99. His road building firm, Vecillio and Grogan, Inc., built most of Route 99.

Ranger Fuel marketed its coal through Eastern Gas and Fuel Associates, and in 1970, Ranger Fuel was sold to the Pittston Co.

State Sen. Warren McGraw, D-Wyoming, has complained continually that the only decent roads in Wyoming County are built for the convenience of the coal companies.

"It's certainly sad that the only way we can get any roads in southern West Virginia is when it benefits the coal operators," McGraw said. "The people can cry for roads, but the only time they ever seem to be built is when the coal companies need them."

Map locates Route 99.



Map locates Route 99.

# Schools Lose Under Tax Laws

West Virginia is losing at least \$150 million and perhaps as much as \$300 million in property taxes each year because of the state's property assessment practices.

Absentee landlords, who own or control two thirds of the land in this mineral-rich state, reap the benefits of low tax assessments, often paying as little as two cents per acre in annual property taxes for valuable coal, timber or oil and gas holdings.

Public schools in each of the 55 counties are the big losers because about 65 cents of each property tax dollar is used for public school support.

As a result, the state general tax fund has been forced to assume an increasingly larger share of the cost of operating the West Virginia public school system. State aid totaled nearly \$200 million this year, and state voters ratified a \$200-million school building bond issue in 1972 to finance a capital improvements program in the 55 county school systems.

Many of the 55 county assessors admit privately that land values should be at least double the amount listed on the 1974 property tax books. A study four years ago concluded assessments on coal lands should be four times the level on the 1970 tax books.

Ten years ago property taxes in West Virginia were nearly \$100 million, while state aid to public schools was less than \$70 million. This year the \$150 million in property taxes compares to nearly \$200 million in state aid to public schools. The state aid, of course, comes from income and sales taxes and from the tax on business activity.

As a result of the outdated assessed property values:

- Two railroads and a lumber company own 85 per cent of the land in Wyoming County but pay only about 40 per cent of the property taxes.

- Mingo County, which produced 3.2 million tons of coal last year, has no mineral assessment values.

- A 12,068-acre tract in Doddridge County is valued at \$1 per acre now just as it was 30

years ago, and the 1974 property taxes were two cents per acre.

- A 7,077-acre tract of coal land in McDowell County purchased by Consolidation Coal Co. in 1959 is assessed at the same value (\$560,800) today it was 15 years ago.

Much of the recent activity in the state has been in the timber industry. Westvaco, the sixth largest land owner in the state, purchased nearly 165,000 acres in one transaction — an area nearly the size of Cabell County.

The company paid \$6 million for the land in Greenbrier and Nicholas counties and will eventually cut all usable timber on the land. Yet Greenbrier County Assessor Clyde Bowling said he attaches no value to timber in his property tax assessments.

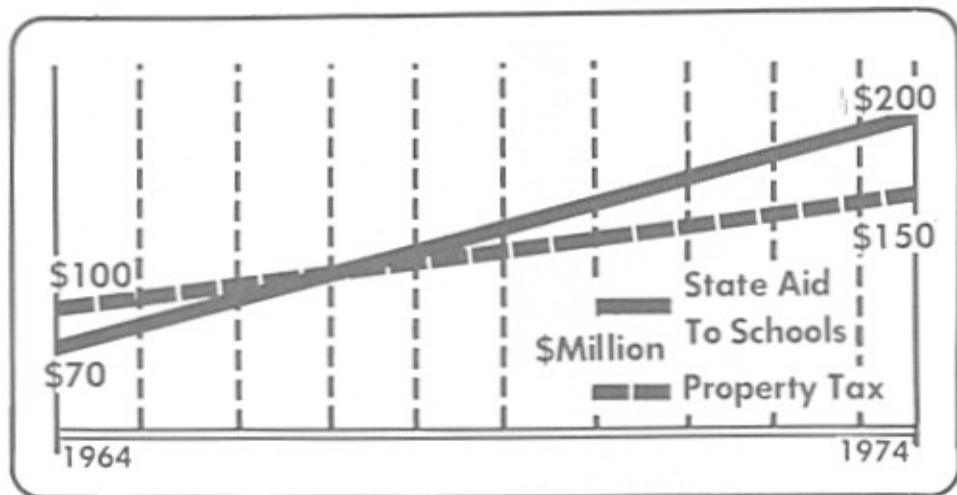
"Our last reappraisal was in 1960, and at that time no value was attributed to timber rights," he explained.

The absence of mineral assessments in Mingo County also dates back to earlier reappraisals.

Four companies own about two-thirds of Mingo county, and each one shared in a general 10 per cent assessment boost in 1957. But for some unexplained reason these four corporations escaped a more substantial increase in assessments in 1965.

"They will wait until all the minerals are gone, and then they will come in and raise the assessments on coal properties," said one deputy assessor at the Mingo County Courthouse, who asked that his name be withheld.

In rare instances, the county assessor becomes more daring. Boone County Assessor Robert Totten is such an individual. During the six years he has been in office, the assessed value of coal lands has been increased from \$5 per acre to \$105 an acre.



Herald-Advertiser Chart by Maurice Kaplan

This graph shows the increase in the last 10 years in state aid to West Virginia public schools, as well as the increase in total prop-

erty tax receipts, which are primarily used by counties for school support.

"As a result, our property tax receipts doubled in four years," said former County Commissioner J. R. (Bob) Rogers.

One isolated instance proves the point. A 18,813-acre tract was valued at \$1.1 million in 1970 and was valued at \$1.9 million four years later. This is producing nearly \$20,000 each year in additional property taxes.

Overall Boone County property taxes jumped from \$1.1 million in 1966 to \$2.3 million last year.

In Barbour County, the value of one 18,295-acre tract has been increased from \$37,500 to \$183,000 in 10 years, and Bethlehem Steel Corp. is being assessed on a value of \$300 per acre for one 400-acre tract of land.

Yet in the same county coal lands owned by Eastern Associated Coal Corp. and the Mellon Foundation are valued at only \$10 an acre.

Marion County has coal lands assessed at \$5 an acre — the same value listed a decade ago. And the Marshall County assessor is car-

rying 1,903 acres of land owned by a utility company on the tax books at \$9,510 — the same value it carried 20 years earlier.

Wyoming County adjoins Boone County and together the two counties are believed to contain the richest coal deposits in the state. Yet while a large land owner in Boone County saw its yearly property tax bill doubled from \$20,000 to \$47,000 in eight years, a similar large land owner in Wyoming County was paying only \$60 more this year than it did eight years ago — \$15,684 compared to \$15,624.

While a county assessor may be unwilling to increase property assessments because of the political consequences, some county courts exercise the authority they are permitted by state law to review and increase the assessor's figures.

The Webster County Court in recent years has been boosting the assessments across the board. For several years the court routinely added 15 per cent to the values fixed by the

assessor. More recently the court has raised this to a 30 per cent boost.

As an example, Pardee and Curtin Lumber Co. was assessed \$556,620 for 27,830 acres of land in 1974 by the assessor, and the county court raised the value to \$723,610. It yielded \$3,500 in additional property taxes.

In Clay County, the assessor had placed a value of \$429,000 on 28,500 acres owned by The Pittston Co. five years ago. The county court raised the value to \$873,900 and this year have placed the value at \$1,246,320. As a result, the tax liability on this tract for Pittston has climbed from \$6,660 a year to \$22,792 a year.

In McDowell County, the assessor has determined that the value of a 21,474-acre tract owned by the Norfolk and Western Railway Co. has increased by \$4.50 per acre in the last 37 years.

## Hancock County Direct Contrast In Ownership-Tax Value Situation

Hancock County, the northern most West Virginia county, offers a direct contrast to the 27 West Virginia counties where some two dozen companies own more than half the land but pay far less than half the property taxes.

In Hancock County, National Steel Corp. owns only 1,638 acres and nearly 600 lots, according to the 1974 property tax books, but pays nearly half the total property taxes in the county.

According to the tax levy for 1974, National Steel Corp. will be paying \$1,439,542. The entire property tax bill for the county is \$2,999,083.

National Steel Corp., with 4,117 acres, is

one of the seven companies in adjoining Brooke County that owns 77 per cent of all the land there.

The two other Northern panhandle counties are virtually one-company monopolies. Valley Camp Coal Co. and a subsidiary, Kanawha Hocking Coal and Coke Co., own 45,126 of the 69,760 acres in Ohio County, and Consolidation Coal Co., the state's largest single land holder, owns 129,354 of the 201,766 acres in Marshall County.

Three other counties have almost total land domination by large companies. Consolidation Coal owns 137,152 acres of the total of 236,044 acres in Monongalia County.

Down south in McDowell County, the Norfolk and Western Railway Co. owns 110,887 acres of mineral rights out of 344,576 acres in the county and also claims 6,857 other acres fee simple plus 106,812 acres of surface rights (most of it duplicating the mineral acreage).

The NW also owns 210,719 acres of the 324,672 acres in Wyoming County and together with Georgia-Pacific which owns 115,432 acres, virtually controls the entire land surface of the county. At least a portion of the railroad property, however, is duplicate surface and mineral ownership, however, just as it is in McDowell County.

## System Tied To 'True Cash Value'

# Kentucky Tax Plan Contrast With W.Va.

Neighboring Kentucky has a unified system of property tax assessments totally different from West Virginia's county-by-county method, which results in a wide range of assessed values on the same kind of property.

The Kentucky assessments are administered statewide to all 120 counties to insure that the same value is applied in each county on coal property, real estate, and other kinds of taxable property.

Tied to a system of "true cash value" on property assessments since 1966 when a court said the state had to conform literally to its state constitution, Kentucky may assess active coal mining land at a value of as much as \$3,000 to \$4,000 an acre compared to the \$5 or so per acre value fixed by the individual county assessors in West Virginia.

It would be virtually impossible to judge the increase in property tax receipts that would be realized in West Virginia if the Kentucky system were used here. Mostly likely the increase would be so sharp that, levy rates would be reduced drastically to prevent sharp rises in the tax bills for individual or corporate property owners.

In Kentucky, the immediate impact was that some assessments had to be increased 10 times the previous value, but the state assembly rushed thorough an emergency measure to put a ceiling on tax liabilities for the next year.

That emergency measure has since been repealed as Kentucky has adjusted more gradually to a true value system of property tax assessments.

Consider, however, the possible consequences of the Kentucky system on some examples in West Virginia such as:

—The recent \$3 million purchase of 2,200 acres of coal rights in Boone County would require the owners to pay property taxes of at least \$40,000 per year whereas under present West Virginia practices the property taxes

will be less than \$5,000.

—A 12,068-acre tract of land in Doddridge County that is valued at \$1 per acre and requires property tax payments of only two cents an acre would be subject to a tax liability of 100 times that amount in Kentucky.

Whereas West Virginia reappraisals have been 15 years apart in most instances, coal property is subject to review and reappraisal about every three years in Kentucky, according to officials in the Kentucky Department of Revenue in Frankfort.

Coal zones are established and the value attached to an acre may be \$100 or so for the period when there is no mining activity nor any expected within the next 10 to 20 years.

Then, during the three or four years immediately preceding mining activity, the value of the land may be placed at \$300 to \$400 an acre and boosted to a top value of \$3,000 or even \$4,000 during the period of concentrated mining activity.

The manual provided by the West Virginia Tax Department for county assessors in this state calculates that, conservatively, 1,200 tons of coal can be expected to be produced for each foot of coal seam in an acre of land.

Thus, a value of \$3,000 to \$4,000 per acre doesn't seem unreasonable when the average coal price per ton today is \$20 to \$25.

The tax manual also recommends consideration of the Kentucky formula where the value varies during the earlier inactive stage, the pre-mining stage, the active mining stage and the mined-out stage. However, implementation of this formula is the exception, rather than the rule, among West Virginia assessors.

Whereas assessors in West Virginia can apply as little as 50 per cent of the value recommended by the state tax department, Kentucky permits a deviation of no more than 15 per cent. So all Kentucky counties assess on a basis of at least 85 per cent of true value.

Kentucky has no large land holdings by cor-

porate interests comparable to West Virginia. A recent transaction involving 8,000 acres in three counties was considered to be a major land deal in that state, according to one tax official.

Tennessee Valley Authority is the largest coal mining concern in the state.

Kentucky has a property valuation administrator in each county, elected by the voters of that county. But the administrator's salary is paid by the state agency and he or she must pass a state-administered test to qualify for the job.





# Coal Land Assessments Are Raised

By HARRY L. BAISDEN  
Herald-Dispatch Staff Writer

MADISON, W.Va. — An ex-service station operator has large landowners in Boone County in a tizzy — he's raised assessments on coal lands here from \$5 to \$105 an acre in six years.

Robert Totten, the 43-year-old assessor of Boone County, said he decided to change the assessments when he first entered office in 1966.

"When I came into office not knowing anything about my job, we had just had the state reappraisal that raised homeowners' assessments two or three times. I decided then that coal properties were not being taxed enough," Totten said.

Totten took the matter to the state tax department, but he said the department couldn't help him. "So I initiated my own program," he said.

"I suppose it's on every taxpayer's mind," he said. "We all wonder if everybody is paying his fair share. I just wanted to be fair with everyone."

His program has not been accepted offhandedly by the coal companies, Totten said. There have been problems, "but none of the complaints have resulted in court cases. I've never had to reduce an assessment because of court action."

Totten said one thing in his favor is that the companies realize he is fair with them. He treats none any differently than any other, he said.

Although he has done what he could to cor-

Boone County assessor Robert Totten says although he has raised assessments on coal lands from \$5 to \$105 an acre in six years he has on thing in his favor. He says the companies realize he is fair with them. Totten says he believes change needs to be made statewide and that other county assessors will probably follow his lead.

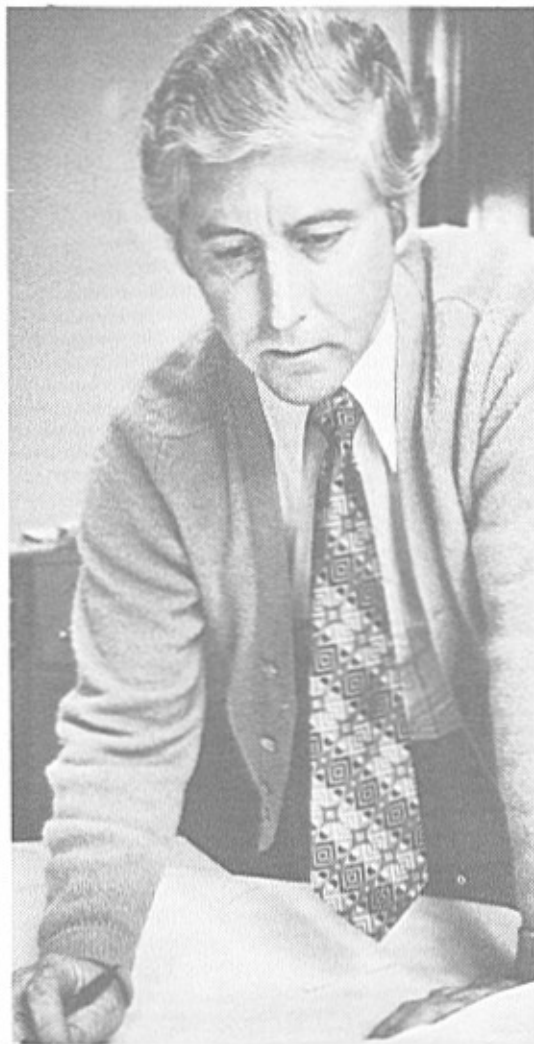
Herald-Advertiser Photo by Lee Bernard

rect assessment inequities in Boone County, Totten said he believes change needs to be made statewide and he believes other county assessors will follow his lead.

"If a company owns property in Wyoming County and in Boone County and is paying higher taxes on the same amount of property here than in Wyoming, it has a right to feel it is being treated unfairly," he said. "If the state tax department adopts a uniform method of assessing coal lands, it will solve a lot of problems."

Totten said he doesn't believe his program has hurt investments in Boone County coal lands. "At least they (investors) know it's fair," he said.

A family man — he is married and has two sons, one 16 and the other 10 — and resident



of Racine, Totten said he believes the average taxpayer doesn't realize the problems most assessors have. "The tax department can't help. The coal people can't help," he said. "You just have to do it yourself."

"But I can't complain because the companies have cooperated," Totten said. "I appreciate that."

# Definite Value Tax System Studied

With nearly 20 per cent of the state's mineable coal reserves already gone, the West Virginia Tax Department is finally working on a program to put definite values on coal properties for property tax purposes.

It is being conducted jointly with a statewide reappraisal of all real property. When it is finished, it will give each of the 55 county assessors a more realistic set of property values to use in preparing annual property assessments.

There is no plan at the present time for any kind of unified statewide assessment program such as that now used in neighboring Kentucky. But the general indication already is that the new values will substantially increase the assessments and, as a consequence, boost annual property tax receipts.

Pilot studies have even been initiated on a project to determine some method of fixing values on oil and gas rights and timber rights but there is no definite plan in this regard so far.

Jack Reeves, a member of the mapping and drafting program for the tax department, said 44 counties in the state are deemed to be coal counties, i. e. having coal feasible to mine.

"We began work in July of 1970 and now we have 18 counties completed," he said. "We have 80 per cent of the work done in 26 of the 44 counties. Our target date is July 1, 1975, but we will not be finished then. However, we do hope to wind up our work very close to that date."

At first, there was some thought given to utilizing the information on the 18 completed counties for the next tax year, but a decision was made to wait until all were completed. Two pending State Supreme Court decisions on coal assessments may also alter the ultimate recommendations of the department.

The last statewide reappraisal was conducted in the 1960s and applied to the various counties over a cycle of several years.

The West Virginia State Code gives the tax commissioner authority to conduct periodic reappraisals. These are turned over to the as-

essor in each county who then must use no less than 50 per cent nor more than 100 per cent of the values recommended in fixing the annual property assessments.

The assessor does retain flexibility, however, in that the 50 per cent to 100 per cent

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## W.Va. Tax Law Seems To Differ In Two Sections

West Virginia law seems to contradict itself in two sections that prescribe how property tax assessments shall be fixed in West Virginia.

In Chapter 11, Article 3, Section 1, the West Virginia code instructs the assessor that "all property shall be assessed annually as of the first day of July at its true and actual value, that is to say at the price for which such property would sell if voluntarily offered for sale by the owner thereof . . ."

In Chapter 18, Article 9A, Section 11, the same West Virginia code instructs the state tax commissioner to reappraise the property in each county and to provide his appraisal to the assessor and county court in each county. The tax commissioner is instructed to appraise in keeping with Chapter 11, Article 3, Section 1, i. e. true and actual value.

But Chapter 18 also tells the assessor he can fix the assessments at "no less than 50 per cent nor more than 100 per cent of the appraised valuation of each said class of property."

Thus, one chapter of the state code requires assessors to make the assessments on the basis of true value, and another section permits him to fix the assessments at only half the true value. Most assessors lean toward the half value, generally assessing at 52 to 54 per cent of actual value.

range applies to all property in each of the four classes — Class I, II, III and IV.

Thus, the assessor could value one parcel at only one tenth of its recommended value and carry another parcel at 90 per cent of its recommended value, making the overall category fit the state requirements.

Most assessors generally apply a rate of about 52 per cent to the values recommended by the state tax department.

Presently the tax department has provided a manual for county assessors listing the "weighted values" for coal property in each magisterial district of each county. No county presently adheres to these recommendations, however. Boone County is perhaps the best with its assessments being about one-third the recommended level in the manual.

In the last statewide reappraisal, the state paid 90 per cent of the costs and the counties paid 10 per cent. The present program is financed wholly by state funds.

The separate reappraisal of all real estate and improvements will be implemented over a five-year cycle and the first counties will be using the new values in 1975, according to Wade Thompson of the tax department's local government division.



# Two Alternatives Obvious In Land Assessment Work

By TOM D. MILLER  
Herald-Advertiser Staff Writer

## Analysis

Continued domination of West Virginia land and mineral rights by absentee landlords really is no mystery.

But the failure of local assessors and the state legislature to keep property tax assessments at a reasonable level is harder to understand. Except for business taxes on coal mine or timber cut, large companies usually pay no taxes but the property levy.

The corporations that own large portions of the state have become mammoths because of their business acumen. An example of that was their early appreciation of the value of West Virginia's underground and surface wealth.

Too, they have adroitly short-circuited resistance to their purchase from resident landowners by buying that which the resident had no use for — the coal in the ground or the trees on the hill behind his house.

Because of their vast financial resources, these companies could negotiate in a fashion

few, if any, in-state companies could match.

And through the years they have exerted a subtle pressure on some assessors and in the legislature. Consolidation Coal Co., the state's largest landholder, has had its lobbyists for decades within and without the legislature. And Pocahontas Land Corp. has a lobbyist who keeps a quiet but constant watch on state capitol activities.

Neither the individual county assessors or the legislature get all the blame for the current under assessments of land. But both share a portion of the responsibility.

If county assessors set property tax assessments at 100 per cent of value instead of 50 per cent, that wouldn't reflect 1974 values because most appraisals are 10 years old or more.

If the assessor in Boone County can raise coal property assessments from \$5 per acre to \$105 per acre in six years and double prop-

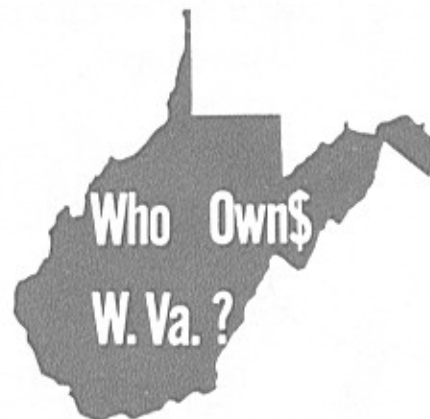
erty tax receipts there in four years, his colleagues in other counties could follow suit.

The legislature could relieve the more obvious political pressure on the county assessor by enacting at the state level new laws to raise assessments. This could remove the present conflict where one section of state law tells an assessor to fix values at 100 per cent and a later section tells him it's permissible to fix values at only 50 per cent.

The alternatives are obvious.

Either state, sales, business and income tax revenues will continue to shoulder a larger portion of the load that an adequate property tax would cover — such as public school support and county government — or the property tax receipts can be boosted so that state tax revenues can either level off or be reduced.

Property taxes for residents would have to be increased along with those of the absentee landlords. However, residents would probably break even because their state income taxes, sales taxes and business taxes could be decreased.



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